FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 019

29 January 1986

INTER-AMERICAN AFFAIRS

Colombia's Ramirez Expresses Faith in Contadora [Cadena Audio Video] A 1

ARGENTINA

Labor Leaders Comment on Strike's Effects [BUENOS AIRES HERALD 27 Jan] B 1

BOLIVIA

Soviet Envoy Meets Paz, Seeks Cooperation C 1
Government Honors Debt to U.S. Oil Companies C 1

BRAZIL

Record Inflation Prompts Emergency Price Freezes D 1
Coffee Exports Suspended Until Price Recovers D 1
Navy Minister Discusses Shipbuilding Plans [O ESTADO DE SAO PAULO 25 Jan] D 1

CHILE

Socialist Leader Lagos Discusses Party's Role [CAUCE 20-26 Jan] E 1

COLOMBIA

Executive Branch Remains Neutral on PL-UP Alliance F 1
Castro: Rebels in 'Trouble,' Order Improved F 1
Shell Suspends Activities Due to Rebel Threat F 2

ECUADOR

President Announces Plebiscite for June Elections G 1
Briefs: Crude Oil Production; Oil Drilling Plans; New Publication G 3

PARAGUAY

Brazilian Foreign Minister Setubal Arrives H 1

MEXICO

Minister Calls for Broad Oil Price Agreement M 1
Oil Purchase, Sale Agreement Signed With Japan M 1
USSR Expresses Interest in Industrial Cooperation [EL NACIONAL 25 Jan] M 2
Police Confiscate 698 Kg of 'Pure Cocaine' M 2

PANAMA

U.S. Congressmen Receive Treaty Violation Report N 1
President, Public Employee Union Reach Agreement N 1
Briefs: Drug Smugglers Arrested N 1

CENTRAL AMERICA

EL SALVADOR

Reaction to Duarte Austerity Measures Continues P 1
Blandon: Army Supports Measures P 1
ARENA Head Criticizes Measures P 1
[DIARIO LATINO 25 Jan]
D'Aubuisson Attacks Package P 2
[DIARIO DE HOY 25 Jan]
FMLN Decrees Transportation Stoppage for 31 Jan P 3
[Venceremos]
FMLN Expresses 'Happiness' at Challenger Loss P 3
[Venceremos]
Army Arrests 118 Guazapa Area 'Rebel Supporters' P 3
'Mysterious' Military Aircraft Crashes in La Paz P 4
Probably Flying Clandestinely P 4
Possible Supplier of Contras P 4

HONDURAS

Azcona Meets Bush, Seeks Aid Without Conditions P 5
Suazo Speaks at Azcona Inauguration Ceremony P 5

NICARAGUA

Protest Sent to Costa Rica on Helicopter Attack [AFP] P 7
Ramirez on U.S. 'Unreasonableness,' Honduras Ties [NOTIMEX] P 7
Defense Ministry Bulletin on Battles With Contras P 8
Ortega Sends Condolences to Challenger Families P 11
Bush Admits Contra Support, Vows Continuation P 12
PSC Leaders Deny Involvement in 'Scorpion' Plot [EFE] P 12
Wheelock: Coffee Harvest Good Despite Contras P 12
Foreign Trade Minister Optimistic on Coffee Prices P 13
[BARRICADA 26 Jan]
Tirado Lopez on Industrial Work, Aid to Contras P 14
ARDE Communique on Alliance With FDN Published P 15
[LA REPUBLICA 15 Jan]
Labor Minister Announces New Incentives Policy P 16

CUBA

Condolences Sent to U.S. on Challenger Tragedy Q 1
Malmierca Ends 4-Day Visit to Harare, Departs Q 1
Fidel, Raul Castro Attend R. Cienfuegos Funeral Q 1
Espin Speaks at Marti Anniversary Ceremony Q 1
Briefs: New French Ambassador Q 2

CARIBBEAN

GUADELOUPE

Opposition Calls for March Elections Boycott S 1

HAITI

Demonstrations Continue in Cap Haitien S 1
Three Killed in Clash S 2

ST LUCIA

Compton Believes Guyana's Image To Improve S 3

TRINIDAD-TOBAGO

Editorial Voices Lack of Confidence in Chambers S 4

GUYANA

President Hoyte Announces New Cabinet Members T 1

COLOMBIA'S RAMIREZ EXPRESSES FAITH IN CONTADORA

PA271330 Tegucigalpa Cadena Audio Video in Spanish 2323 GMT 26 Jan 86

[Excerpts] Colombian Foreign Minister Augusto Ramirez Ocampo has announced that the presidents and heads of state who are attending the swearing-in ceremony of the new Honduran president will meet tomorrow with U.S. Vice President George Bush. Foreign Minister Ramirez said:

[Begin recording] [Ramirez, in progress] ... Colombian people, because you have satisfactorily culminated another democratic process in Latin America. I believe that it was (?nicely handled), and all the brother countries are happy with the fact that democracy has once again [word indistinct] and proves that it is an essential basis for the search of peace [words indistinct] peoples of Latin America.

[Unidentified reporter] Speaking of peace, do you think that Contadora will achieve peace in Central America?

[Ramirez] We have not lost that hope. As you know, we met recently in Caraballeda and in Guatemala. We know that only a negotiated political solution will bring peace to Central America, and, as members of the Contadora Group we have faith in the process.

[Reporter] Will the fact that new governments are being sworn in in Central America represent an advance in the efforts being made by the Contadora Group?

[Ramirez] I think that the policies of Guatemala and Honduras, two countries making their democratic transition, a transition Costa Rica will also make shortly, do not affect the process. I think that the Central American willingness to search for peace, based on the prompt signing of the Contadora Document for Peace and Cooperation in Central America, was reiterated during the presidential campaign in those countries just as it was reiterated during the swearing-in ceremony of Guatemalan President Vinicio Cerezo, and hopefully also at President Azcona's swearing-in ceremony.

[Reporter] How can the Contadora Group peace-making efforts succeed when there is an increasing U.S. presence in the area through constant military maneuvers in Honduras?

[Ramirez] The Contadora Document establishes, and we have just ratified this point in the Caraballeda message, what we have called permanent bases for peace in Central America. Among these bases we have included that no country should attempt to intervene in another country. It is also indispensable that the processes of national participation, of national reconciliation, of respect for human rights and basic freedom be consolidated in Latin America. Therefore, without these permanent bases it is impossible to achieve peace. We seek, through the Contadora process, to establish peace not only based on disarmament but also a disarmament of spirit, disarmament of the war spirit. We feel that the best way to achieve this is through a negotiated solution. On this issue I must reiterate that we believe that in Latin America counterrevolution or revolution cannot be exported. [end recording]

LABOR LEADERS COMMENT ON STRIKE'S EFFECTS

PY272335 Buenos Aires BUENOS AIRES HERALD in English 27 Jan 86 p 5

[Text] (NA-DYN) -- Much more comment on last week's general strike continued to be forthcoming yesterday while the CGT [General Confederation of Labor] announced further plans which may be confirmed tomorrow and strongly criticized the government who in the course of this week face a renewal of the short strikes which had died down last week due to the imminence of last Friday's strike.

The Banking Association announced step two of their plan in demand of an emergency 100-austral increase will go into action tomorrow. The public will not be attended in Banco Nacion, Banade [National Development Bank], and Sudameris banks in the last three working hours from 1 pm to 4 pm.

Aerolineas Argentinas (AA) pilots threaten to strike again tomorrow and Wednesday unless their salaries are brought up to international level, but AA President Horacio Domingorena meets APLA [expansion unknown] pilot representatives this morning in a last-ditch attempt to avoid the strike. Domingorena said the strike could be declared illegal and has threatened to lay off strikers who reject allegations their measure is "a rebellion against the government."

FEMECA [expansion unknown] metropolitan doctors' union announced its members will call a halt to their activities for 48 hours as from midnight tomorrow. The FEMECA union suspended strike measures on January 15 and January 16 on the strength of promises received from Health Secretary Carlos Canitrot which they now consider to be "unsatisfactory."

The 62 Organizations expressed its "satisfaction" at the result of last week's strike and called for "respect from all components -- and especially from those congressmen who spoke out against him before the strike -- of the social body" for CGT leader Saul Ubaldini. "The Argentine community is showing signs of great maturity and healthy unity in defence of its common interests," the 62 added.

On the other hand, Buenos Aires Radical provincial party committee chairman Juan Manuel Casella accused CGT leaders of "wanting to destroy any government attempt to bring about unity, trying to perpetuate themselves in power and of being out of tune with the times." He said "unless the CGT stops being vindictive and politicized it will be impossible to discuss with them how to subsidize some products on the family budget." Casella suggested the CGT "could discuss how to make rent contracts cheaper by means of a contract that would eliminate middlemen and for which the National Savings Bank would act as guarantor."

Intransigents Nestor Vicente and Raul Rabanaque Caballero agreed that the strike was a total success, "a rejection of dependence and the recessive policies the government wants to impose in the name of ethical solidarity and modernization." Vicente said it was a call on the government "to abandon the realism on which injustice has subsisted."

On the Radio Belgrano programme "Manana, Tarde y Noche," Radical Deputy Enrique Vanilo called the strike "a useless gesture, a political act whereby Mister Ubaldini is trying to make the most of the confusion the country is in and get to the helm of the Peronist party." On the same programme Peronist Deputy Osvaldo Borda denied the CGT intended to "co-govern" the country.

The Workers' Party and the Peronist Youth both agreed the strike was a complete success and called on the government to "change its tack in order to arrive at justice and a free democracy."

Socialist Confederation President Alicia Moreau de Justo sent a congratulatory telegram to CGT Secretary-General Saul Ubaldini which said: "The success of the workers' strike has re-affirmed the anti-imperialist and democratic vocation of Argentines."

Ubaldini -- who also received a congratulatory telegram from MID leader Rodolfo Calvo -- announced on Saturday the CGT will hold a congress sometime in February "which will be a means to find out the overall opinion of all sectors of society and then to draw up a project which will create the necessary conditions for growth."

CGT Directive Council member Ramon Baldassini added yesterday: "February 18 will probably be chosen for the Congress but this will have to be agreed by the CGT in its next plenary meeting in Parana." The FOECYT [Federation of Postal and Telecommunications Workers] union leader also said representatives from all walks of life would be invited and a special invitation would be sent to the Church. The government will also receive invitations "but as members of the Radical party because as members of government it will be their responsibility to implement proposals made at and by the congress."

Baldassini further informed that step one would be to set up a commission to organize the congress which will have "the foreign debt, economic recovery and distribution of income" on its open-ended agenda which will be open to suggestions from any of the participants.

Radical Deputy Jesus Rodriguez said the proposed congress "shows an excellent disposition on the part of the CGT as long as it does not overlap with the role of political parties." According to Rodriguez, "The CGT's decision to initiate an open debate after calling a general strike is not as illogical as it seems because the CGT is trying to become the focal point of the opposition party."

Christian Democrat Deputy Augusto Conte agreed with Rodriguez and said his party "would be prepared to attend the congress and try to find even minimum agreements." Conte went on to say, "Working together is the only way all political and social sectors will find a way to rescue the country from the serious crisis it is going through." Intransigent Oscar Alende said he was "enthusiastic" about the congress, while the Movement for Integration and Development (MID) said they were in favour of attending.

The CGT came out strongly against the government in a document issued last Friday in which they said: "The people should know the government is dealing in Washington and New York behind Congress' back and to the ignorance of public opinion." The document then accused Labour Minister Hugo Barrionuevo "of worrying about one day's wages and not about the wages of every day." It accused Barrionuevo "of being meaner than the owners," in reference to the fact he had warned strikers would have a day's pay docked from their wages.

In another labour development ENCOTEL [National Enterprise for Mail and Telegraph] chief Ignacio Ortiz is scheduled for "a private and personal meeting" with President Raul Alfonsin today to discuss the reasons which led up to the presentation of his resignation last Saturday. President Alfonsin will "then decide whether to accept it or not."

SOVIET ENVOY MEETS PAZ, SEEKS COOPERATION

PY281809 La Paz Cadena Panamericana in Spanish 1130 GMT 28 Jan 86

[Text] President Victor Paz Estenssoro yesterday received Soviet Ambassador Arkadiy Glukhov, who has reported that his government is interested in signing bilateral cooperation agreements. Glukhov said he expressed to President Paz the Soviet determination to maintain bilateral agreements, especially in the fields of nonferrous mining and metallurgy. He also reported that more than 70 Bolivians will study technical careers in the Soviet Union through scholarships within the framework of the current Bolivian-Soviet cultural exchange.

Arkadiy Glukhov said he asked for the Bolivian opinion about nuclear disarmament and Mikhail Gorbachev's proposal to stop the international arms race. He said that Gorbachev addressed all countries on 15 January and expressed the opinion of the Soviet Government and people on these subjects, and that he had also requested the peace-loving peoples' support for this cause.

GOVERNMENT HONORS DEBT TO U.S. OIL COMPANIES

PY271959 Paris AFP in Spanish 1437 GMT 27 Jan 86

[Text] La Paz, 27 Jan (AFP) -- According to a government decree enacted in La Paz today, the government of President Victor Paz Estenssoro will pay $80 million in debts dating back to 1982 to the U.S. oil companies Tesoro and Occidental.

Tesoro and Occidental own 50 percent of the hydrocarbons extracted in Bolivia and sold to Bolivian Government Oil Deposits (YPFB) for domestic consumption.

Guillermo Moscoso Riveros, a former energy and hydrocarbons deputy minister in the government of Hernan Siles Zuazo (1982-1985), has stated that the Tesoro and Occidental oil companies owe Bolivia more than $300 million in unpaid national taxes and departmental royalties.

Moscoso Riveros warned that the contracts signed by the Tesoro and Occidental oil companies do not conform with the General Hydrocarbons Law forcing them to pay taxes.

He stated that because of the tax exemptions they enjoy, Tesoro and Occidental profit from 72 percent of the hydrocarbons output, while only the remaining 28 percent goes to the state.

RECORD INFLATION PROMPTS EMERGENCY PRICE FREEZES

HK280542 Hong Kong AFP in English 0532 GMT 28 Jan 86

[Text] Rio De Janeiro, Jan 28 (AFP) -- Prices rose 16.2 percent this month, the fastest pace in Brazil's history, the Brazilian Institute of Geography and Statistics announced Monday. Finance Minister Dilson Funaro blamed this on speculation with food, which is in short supply because of the drought in southern Brazil. He announced a series of emergency measures including a 30-day freeze on prices of sugar, beans, meat and rice, and slowing the disbursement of Federal funds to the states and cities.

Mr. Funaro and the Statistics Institute contended that inflation would decline after the exceptional January figure. But inflation already totaled 233.65 percent in 1985, the most ever for one year, compared with 223.8 in 1984. The previous monthly high was 14 percent last August. Prices rose 13.3 percent in December. Inflation has risen gradually from a low point of 15.5 percent in 1973.

COFFEE EXPORTS SUSPENDED UNTIL PRICE RECOVERS

PY281339 Brasilia Radio Nacional da Amazonia in Portuguese 0900 GMT 28 Jan 86

[Text] Brazil will suspend its coffee exports until the international price recovers. This announcement was made by the president of the Coffee Technical Commission of the Brazilian Coffee Institute, Mauricio Lima Verde. Twenty days ago, the price of the 60-kg bag dropped from 4.5 million cruzeiros to 2.5 million cruzeiros. Lima Verde said that Brazil is facing the worst crisis in the history of coffee planting and that the price of coffee exports needs to be enhanced. He added that no transactions will be made at low prices.

NAVY MINISTER DISCUSSES SHIPBUILDING PLANS

PY280148 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jan 86 p 2

[Excerpt] Navy Minister Henrique Saboia yesterday said in Belo Horizonte that the Brazilian Navy will spend $1.5 billion up to 1991 on the construction of eight submarines and eight corvettes in addition to warships and patrol and training boats. The money will also be used for the purchase of helicopters, tugboats for the high seas, and the reequipment of naval rifleman corps. Saboia, who received the Inconfidencia and Santos Dumont award from State Governor Helio Garcia, also said that this money, which has already been appropriated by the Ministries of Finance and Planning, will be increased by the payment of $30 million a year in royalties for oil exploration carried out by Petrobras.

Saboia said that Brazilian Navy's equipment is not in accordance with the country's potential and its maritime interests, and that the needs of the Navy cost much more than Brazil can now sustain. He added that the solution was to break up the program for reequipping the Navy in partial programs, such as the construction of floating units in Brazilian and private shipyards. Beginning in 1991, a new program will be submitted for study to the economic area of the government.

SOCIALIST LEADER LAGOS DISCUSSES PARTY'S ROLE

PY241941 Santiago CAUCE in Spanish 20-26 Jan 86 p 20-23

[Interview with Socialist Party leader Ricardo Lagos by CAUCE journalist Eugenio Gonzalez -- time and place not given]

[Text] [Gonzalez] Like most opposition parties, the Socialist Party [PS] is quite divided. To clarify the situation...how many socialist parties are there in Chile today?

[Lagos] Throughout the 12 years of dictatorship, the socialist constituency has remained united. If you take a tour through the country you will see that the socialist constituency is intact and that fortunately, disagreements at the leadership level have not affected the socialist people. The point is that there are many interpretations of everyday developments. Speaking in general terms we could say that there are two main socialist trends: the sector that has stuck to the heavily ideological socialist framework of the 1960's, and the other sector that has a different approach to socialism in light of new elements present in Chilean society, that is, the changes brought in by the dictatorship. The latter renewal of socialist beliefs in Chile is based on three elements: a theoretical renewal, a renewal prompted by the new Chilean status quo, and the influence of truly socialist systems around the world. Thus, there are two large factions and the process toward unity will develop around these two factions....

[Gonzalez] But meanwhile this socialist constituency about which you have been talking is wondering when this unity will come about....

[Lagos] The process toward the unity among organizations requires agreement on certain methods and this agreement in turn requires a certain amount of freedom and elbow room to resolve any possible conflicts. This is quite impossible under a dictatorship. If you and I disagree on a given subject in a pluralist, democratic, and open system of government...we would vote. But how can one vote under a dictatorship?

It is not by chance that under other lenghthy dictatorships the unity of socialist forces took place once the democratic system had been reestablished. Several socialist groups participated in Spain's first elections [after Franco's death]. Only one group emerged as the representative of the majority and it is now the axis of the socialist unity process. I am not saying that in Chile a democratic system is a prerequisite for socialist unity. I would like to see this unity come to pass sooner because it would help bring about the downfall of the dictatorship.

[Gonzalez And because they are divided, Pinochet steadies himself in power....

[Lagos] Actually, the difficulties within the parties are not commensurate with the serious problem affecting the country. Concerning the confrontation with the dictatorship, there are certain criteria shared by everyone and it is clear that 80 or 90 percent of the civilians are against Pinochet. The civilians do not stand for a Christian democratic, socialist, or liberal way out but for a democratic system of taking turns in the holding of power. That 90 percent are aware that the Chilean crisis is so deep institutionally, economically, socially, and culturally that there must be a nationwide response during the transition period following the dictatorship, which lays the groundwork for future institutionalization so that later on there can be a choice among Christian democratics, socialists, and liberals.

[Gonzalez] Do you believe that the people are not aware that the opposition is split?

[Lagos] There may be such an awareness but I am also thinking of the National Accord for the Transition fo Full Democracy. The National Accord was signed by the Socialist Party, Briones faction; the Socialist Party, Mandujano faction; the Christian Left (IC); the MAPU [United Popular Action Movement], which approved the National Accord and immediately joined it; and I would also include the PS, Almeyda faction which assessed it positively as soon as it was released. Thus, there are five parties in the National Accord, which represents a clear response by socialism to the Chilean crisis. Let us not delude ourselves. There is a much greater socialist identification vis-a-vis the dictatorship than shown by the scattering of the various parties, a scattering that the pro-dictatorship press is interested in exaggerating.

[Gonzalez] It has been stated that 1986 will be the year of social mobilization. How can mobilization be achieved when there are parties within the National Accord opposing it?

[Lagos] The National Accord must be seen as just a group of principles by which we, the parties that have signed it, commit ourselves to laying the groundwork for a democratic system. We want to fulfill those principles. Some people believe that this can be achieved through negotiations -- at this time I do not know with whom because the captain general [Pinochet] has said no -- but let them continue thinking of some type of negotiation. Other people, including ourselves, believe that those principles will be achieved by virtue of a mobilization, by which 90 percent of the Chilean people at some future time will bring this country to a halt. Despite the fact that the captain general has stated that he has turned the page, what will happen in Chile is that not even a leaf will be moving.

[Gonzalez] I repeat. Within the National Accord there are parties opposing a stoppage in Chile.

[Lagos] Actually, there are no reasons for including the mobilization and negotiation issue in the National Accord. I do not have the right to suspect that those who want to negotiate, want to disregard the principles of the National Accord. Moreover, I do not agree that those who oppose mobilizations believe that I am disregarding the principles of the National Accord because I myself am mobilizing. When I say mobilization it involves all those who believe that this way the Chilean political system and the reconstruction of the Chilean society will be restored. In this nationwide response to the crisis.... everyone is needed.

[Gonzalez] Including the communists ....

[Lagos] But of course. The communist issue reveals the parochial approach of Chilean politicians. When De Gaulle returned to Paris, which had been devastated by war, and was faced with the challenge of rebuilding France and its institutional , democratic and material bases that had been destroyed by the Nazis, he did not feel that there was no room for communists. The parochial manner in which Chileans approach this subject reveals the extent to which the dictatorship has been successful in narrowing formerly broad Chilean minds and in making everybody worry about certificates of good behavior.

There is a paradox here because people will not begin talks with the communists because the communists favor violence, and there will be no talking until they change their minds. However, you must have seen that there are talks with Mr. Cardemil, who is a representative of a regime guilty of practicing state terrorism for 12 years, and I do not believe that anyone has told him: Give up state terrorism.

[Gonzalez] As far as you are concerned, in light of the results of protests, partial stoppages, and other actions undertaken last year; is a general strike the only tool left to defeat Pinochet?

[Lagos] I have no doubts that this is so. A national strike in Chile would be a civic stoppage involving people who owe on their mortgages, teamsters, merchants, professionals, students, etc. It would be, so to speak, a strike that goes beyond the working class, it would not be a traditional strike. If 90 percent of the people stop we will have the authority to say no to Pinochet and yes to a set of principles with which we want to replace Pinochet.

[Gonzalez] For a nationwide strike to be successful it must be organized in a serious and responsible manner. As far as you are concerned, who must make the call, the workers or the politicians?

[Lagos] Everyone must participate in the call to strike. The political class must accept its responsiblility and run the risks and face up the consequences, just as Seguel, Bustos, or Di Giorgio did in the past. However, the social sectors must follow suit to make it clear that they are also behind the workers' demands. What I mean to say is that this stoppage must have two objectives: democracy and change of a number of material aspects which will be necessary for democracy to survive.

[Gonzalez] It has been said that there will be no solutions to economic problems in the short run. For the sake of argument, what can we expect over the next 10 years?

[Lagos] You are asking for solutions within 10 years because you presume, quite realistically, that the current system does not provide any. This is true because within the framework of the Chicago economic policy and the ideological extremism that the Chicago Boys have displayed, there can be no solutions. The development of an economic solution requires political changes first.

First, there must be a nationwide response beyond anything any political party can produce on its own. In order to come up with a solution we must first identify our problems: unemployment, income distribution and the problem of the have-nots, those who are actually outside the social spectrum altogether. How should we tackle this problem? First: the burden of the foreign debt must be handled along the lines devised by President Garcia or President Alfonsin. Second: what should be the domestic approach to the socioeconomic changes that have been made at gunpoint? It calls for measures that have to do with the privatization schemes cooked up behind the people's backs and the terms under which the domestic debt of economic conglomerates is being renegotiated. This must be reviewed. Third: the changes that have been made in other areas of the economy must also be corrected, like the social welfare system for example. It is profoundly antidemocratic to allocate investments on the basis of market capability because most Chileans have no say in the matter, and it is necessary to reestablish the economic balance among the lowest paid sectors which have been the most trampled on during these 12 years.

[Gonzales] But will the right wing think the same way Ricardo Lagos does, considering that it too has a few interests at stake in this matter?

[Lagos] I believe that members of the right, generally speaking, are currently operating the way they have always done in Chile, protecting their own interests. They believe that they have the formula for the transition to democracy. They feel that they have the decisive 20 percent of the constituency and they use this lever to say: Once there is democracy, we want to make sure that the capitalist system will survive. I tell them no, the capitalist system will survive only if you are capable of convincing the majority of the people, but I too want to have the option to advocate socialism through my own proposal. However, this is not up for discussion at this point. The main target is the socioeconomic structure that the dictatorship has devised. Five economic conglomerates are responsible for 80 percent of the private foreign debt that Chile has, so how can it be possible that now, all of a sudden, by magic, their debt has become public debt. Do you know how an economic conglomerate that owes $150 million renegotiates its debt? I will tell you: 30 percent in UFs [unit of account adjusted for inflation], plus another 5 percent payable in 10 years, and the remaining 70 percent is frozen and left for renegotiation after 10 years. [figures as published] All this must be reviewed because there is an ethical problem involved that has nothing to do with socialism or capitalism.

[Gonzalez] And will the right agree to this review?

[Lagos] The point is that if they do not agree, it will mean that it is willing to accept certain actions that I will not call illegal because someone will come out and say that none of the laws of the current regime have been violated, but at least they are not in keeping with the moral standards that must prevail in public affairs.

[Gonzalez] The Armed Forces are also included in the transition process. What is their role on the way to democracy?

[Lagos] I trust that we will be able to seek a political solution with the Armed Forces on the transition to democracy. However, they must understand that as long as they remain connected to this personal dictatorship, which has the sole objective of complying with the terms of the constitution that enable the captain general to die in power, they will, in a certain way that will be imperceptible at first, throw their hand in with the captain general. There is still time for the Armed Forces to seek a solution with the civilians to the crisis.

However, there are things that cannot be omitted: like what has happened in the last 12 years in the field of human rights. As part of the process of transition and social justice, it is necessary to have justice in the field of human rights. And when speaking of justice I mean that pardons may be granted in the future; however, I agree with the Catholic Church, which says that in order to pardon, the truth must first be known. Once it is established who committed the crime and how it was committed, it will be possible to pardon or sentence. What we must not allow is for people to forget what has happened.

[Gonzalez] Couldn't this be what is delaying the dialogue for transition? Couldn't the Armed Forces be thinking of what happened in Argentina for example?

[Lagos] Maybe it is delaying it but I think not. During a debate on this subject, a lawyer -- who is not a socialist -- said that if the subject of human rights of all things delays the transition ... well, the delay would be welcomed. It would be worse if this subject were not discussed with seriousness and respect because in the future it may unleash some sort of blind revenge for what happened. There is no room for revenge, but in order to have justice the truth must be known.

[Gonzalez] Then, there can be no starting from scratch?

[Lagos] That would be impossible because this country has been deeply hurt. There are studies that tell us about thousands of people tortured or missing, hundreds of thousands that have endured arbitrary arrests and the shantytown dwellers who are living in fear of the next "inspection visit." These outraged people must feel not that they have been avenged, because the Chilean people are more generous than that, but that truth and justice have prevailed.

[Gonzalez] Do you believe that the Armed Forces are already thinking about how they will face this calm and unbiased trial?

[Lagos] I believe so because there were people responsible for the outrages committed, and the truth is beginning to surface... fearfully at first, but it will eventually be obvious who gave the orders and who is responsible. This is not a matter of putting the institution in the dock. Someone is bound to say that it is not politically correct to say all this, but I believe that it is equally incorrect to hide it because everyone is aware of this issue, including the Armed Forces.

[Gonzalez] This week will be decisive for the AD as far as deciding on how to handle the social mobilization. Has some agreement been reached or are you still going through preliminary talks?

[Lagos] As far as the parties of the AD are concerned, everything is all clear. Even if there had been some doubts concerning the choice between negotiation and mobilization, the captain general has made the decision easy. Mobilization is the only thing left to be done against Pinochet and it must be accomplished through a clear-cut proposal for the country. We believe that it is important to seek not only an agreement with other political conglomerates like the MDP [Popular Democratic Movement], but also with other social groups such as professional associations, labor unions, tradesmen and the many other social institutions that have cropped up during this period. The strike is the only, and I also believe the final, step that will make the Armed Forces understand that the time for a political solution has come. But this is all very complex because in order to ask the people to behave in a heroic manner we must provide them with a clear-cut purpose: the end of the status quo and the building of the future.

[Gonzalez] Is this complexity to blame for the delay in answering the MDP?

[Lagos] The answer to the MDP is something else again. The AD is a political conglomerate that must channel political opinions of political groups. The MDP is a political group and so is the MUN [National Unity Movement]. I am not asking the MUN to give up the 1980 Constitution in order to start talking. We must talk with them just as we must talk with the Communist Party, which is also a political group. There are bound to be disagreements because if there had not been, the PC would have been part of the AD. However, I cannot accept that any given conglomerate should be willing to hold talks with the right but not with the left because that would mean ignoring political performance. We must begin practicing democracy even though Pinochet has not granted it to the country ...or, better still, even before we wrestle it away from him.

Are we going to use Pinochet's answers for our conglomerate? Are we going to say that we shall not hold talks with the National Accord because it does not recognize my constitution, does not state its position toward Marxism, and God knows what else? Are we going to do the same to the Communists? We are not going to talk with them as long as they fail to do this, that, or the other thing. Please... it seems to me that this amounts to following Pinochet's example.

[Gonzalez] Then the subject to be discussed with the MDP is far simpler?

[Lagos] I see it as much simpler. The thing is to try to establish permanent channels of communication, as in any other political system. To do the opposite would be the same as to say: I exclude you from everything, even from the talks. And this latter point is not in keeping with the AD, which maintains that within a democratic system no one should be excluded for his beliefs.

[Gonzalez] By the time this interview is published, Senator Kennedy will already have completed his brief visit to Chile. This has caused new disagreements among the opposition, like the MUN, which has declared him persona non grata. What meaning does Kennedy's visit have for the Socialists?

[Lagos] Senator Kennedy is a U.S. political personality who, within the capitalist concept that he wishes to preserve, has been very positive in defending human rights. In this sense, we believe him to be a very respectable figure who represents the rich, pluralistic U.S. system. However, here, with our parochial system, we tend to see everything either in black or white. The United States has many aspects. It had racial segregation, but it also had a Martin Luther King to fight it. It maintains a policy of support for many dictatorships because it believes that it is the best way to fight communism, but it also has many organizations which believe that dictators like Somoza or the Shah of Iran should not be given support, and so they struggle against them despite the government policy. Within this many-sided richness, Senator Kennedy plays an important role and it is therefore important that he become aware of our state of human rights.

EXECUTIVE BRANCH REMAINS NEUTRAL ON PL-UP ALLIANCE

PA281712 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 28 Jan 86

[Text] Bogota -- The government does not criticize or promote pacts between the Liberal Party [PL] and the Patriotic Union [UP], the unarmed branch of Revolutionary Armed Forces of Columbia [FARC], but does provide all necessary guarantees as long as they stay within the law. This statement was made today for CARACOL by Government Minister Jaime Castro when he was queried on the executive branch's position on this type of electoral alliance. Alliances are an antidote for sectarianism and enhance the nation's political life, said Jaime Castro. Everything that leads to greater participation by the people enhances the legitimacy of the democratic system, and we provide guarantees for all these alliances and extend to them all the rights that the law provides, added the minister.

He pointed out that he did not know whether it was due to the alliances, but there has been a considerable increase in the registry of identity cards for both forthcoming elections. He said that the increase is 70 to 75 percent compared to the years 1984 and 1982. He added that there are new factors that motivate greater electoral participation, such as improved institutional mechanisms enacted by the last congress, a climate of thawing of political tensions, and increased proselytism. The coming elections will be a referendum between the democratic and subversive forces with a much larger voter participation than in previous years, said Castro.

When asked about alliances between traditional political organizations and the Patriotic Union, the government minister said that the government neither promotes nor criticizes pacts with the Patriotic Union, but we give them every guarantee if they stay within the law, because they are the reflection of Colombia's political wealth.

CASTRO: REBELS IN 'TROUBLE,' ORDER IMPROVED

PA282028 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 28 Jan 86

[Text] Bogota -- Government Minister Jaime Castro has said that the Colombian guerrillas have entered a phase of making greater errors, which shows that they are coming apart. He added that today the public order situation is much better than 3-4 months ago.

Minister Castro told CARACOL that the government has reports of an alliance of regional subversive forces, which is an indication that the Colombian guerrillas are having so much trouble recruiting national fighters that they must seek them abroad. If they have been unsuccessful with nationalist banners, much less will they achieve (?anything) with foreigners, Jaime Castro stressed.

He added that the government has no official knowledge of an alliance between the 19 April Movement [M-19] and subversive forces in Peru, Ecuador, Venezuela, and Central America, who have reportedly created the so-called America Battalion.

However, we have heard of this alliance, Minister Castro said, adding that this shows that the Colombian guerrillas, who were reluctant to join the peace process, have fallen into a process of blunders; that they have entered a path of greater mistakes, which reflects their disintegration.

Minister Castro said that after touring several of the country's departments, accompanied by the National Civil Registrar, the government has seen two phenomena: public order in the country is better than 3-4 months ago, with the exception of Cauca Department and there is an atmosphere of understanding between the various political forces, which strengthens the electoral process.

In conclusion, he said that, undoubtedly, the March and May elections will be a plebiscite between the democratic and subversive forces, after which the first will emerge stronger.

SHELL SUSPENDS ACTIVITIES DUE TO REBEL THREAT

PA281856 Madrid EFE in Spanish 1225 GMT 28 Jan 86

[Text] Bucaramanga, 27 Jan (EFE) -- "Shell" (Royal Dutch), the petroleum multinational that explores and exploits crude oil in central Colombia, has decided, effective today, to suspend operations "indefinitely," following threats from a guerrilla group.

Shell executives stated here that after the constant pressure of extortion from the 24th Front of the Revolutionary Armed Forces of Colombia (FARC), which operates in the Yondo rural area, they have decided to suspend activities completely.

In a communique sent to Radio Cadena Nacional (RCN) signed by Commander "Tomas," the 24th Front of FARC repeated its threats to Shell and protested the military presence in the area.

FARC demanded 100 million pesos (approximately $750,000) that corresponds to, according to "Tomas," "the tranquillity that is no longer present to work in the area."

"Tomas" threatens that "beginning today, the incursions will stop when the money is received and the military units are withdrawn" from the Shell operations area.

In view of the firm's reports, the military authorities sent patrols of Barrancabermeja's "Nueva Granada" Battalion in order to protect the company and its workers.

However, there was a clash between military patrols and FARC guerrillas in the past few hours. Evelio Rangel Diaz, a noncommissioned officer, was killed and three soldiers were wounded in the action. No victims were reported in the guerrilla ranks.

Yondo Mayor Francisco Javier Loaiza did not comment on the withdrawal of the Shell workers and noted that he has no information in that regard. However, he admitted that there is a FARC presence in his jurisdiction's rural region.

PRESIDENT ANNOUNCES PLEBISCITE FOR JUNE ELECTIONS

PA281615 Quito Domestic Service in Spanish 0040 GMT 28 Jan 86

[Speech by President Leon Febres Cordero; place not given -- live or recorded]

[Text] Ecuadoreans: I can assure you that these past few months have been times of work and achievement for your benefit, for your present and future, and for the national reconstruction we pledged to carry out. With help from the Lord and from you, we are succeeding.

I want to sincerely thank you for your constant support. I felt it when I took your message to the most developed country in the world and when we told the world, with dignity and honesty, how we have fulfilled our promises to our people and how we have managed to restore the health of our nation's economy, which we found totally destroyed.

We were pleased to see the world's top economic experts endorse and hail our economic and social policies. The democratic stance, respect for human rights, absolute adherence to the Constitution and the laws, and restoration of the principle of authority by he who, because of your mandate, enjoys the enormous privilege of being your president, were acknowledged in other parts of the world.

I am now back in the country and ready to resume the challenge of demonstrating how, with freedom and without hate, one can achieve greater well-being for a larger number of Ecuadoreans.

Counting on your support, I will raise issues tonight that will make it possible to clarify once and for all the position of the executive branch with regard to the constant lying by the opposition and the confusion created by those who seek to cast doubts on the honest actions of those of us who have demonstrated with deeds that we love democracy and defend the Constitution. The respect we have demonstrated by [word indistinct] the Constitution is not less than the energy we have displayed in making those who have constantly tried to destabilize the government abide by it.

Compatriots, it is for this reason that I wish to begin by stating that the central government, that your president, will take every necessary step to enforce, without changes, the legal provision that calls for elections to be held in June 1986. We will not accept subterfuges of any kind and will not take any steps backward that may be used as a pretext to change the nation's overwhelming will. To respect the Ecuadoran people's sovereign right to exercise the right to vote is and will always be of vital importance to my government.

It is not fair that while the Ecuadoran people and their constitutional president are working untiringly to consolidate the democratic system, the opposition should go on with its destabilization efforts every day. These are the same Ecuadoreans who perpetrated the fraud in the elections of 6 May 1984. They are the ones who tried to violate the rights of the Ecuadoran people. With the usual subterfuges, they are maneuvering to prevent the elections for provincial deputies from being held in June. It will not escape the notice of the country that those who lost the 6 May election are attempting to obstruct the holding of free elections to which all Ecuadoreans, without exception, are entitled, because they did not draft the law to reform the civil registry law extending the time of voting so that all citizens could exercise their right to vote; because they handcuffed the Supreme Electoral Tribunal, which is the institution responsible for directing the electoral process; and because they attempted to interpret arbitrarily Article 143 of the Constitution, which establishes the proper procedures to reform the Constitution.

I also want to make known my firm determination to make use of the constitutional provision that empowers me to submit to popular vote those matters that my judgement indicates are of utmost importance to the Ecuadoran state. The people's reply -- your voice -- will guide those in whose hands rests a constitutional reform that will acknowledge the right to be elected without restriction of more than 70 percent of independent Ecuadorans, who cannot accept their lawful constitutional rights' continuing to be suppressed.

I bid the enemies of the popular vote, those who tremble in fear of the possibility that the people will express their will freely at the polls to support a valid thesis, to use their freedoms and rights to practice democratic opposition by confronting the people directly, by confronting the president's thesis, the thesis of the independents. The people -- you, fellow countrymen -- will have the last word. It is the people who are invoked when selfish interests are pursued, the people who instill fear when they demand to be listened to and demand that their sovereign will be respected: Those people will express their will. Lawmakers will know where they stand after that. I assure you there will be two groups: a gigantic one that respects the people's will and an insignificant one that attempts to ignore it. We will obtain the people's sacred decision. That decision will be the guide by which we will adapt our Constitution and actions to the people's sovereign word.

I must seize this opportunity to put in their place a small group of men who were defeated in the past election and who from their shelters in respectable institutions, including the Court of Constitutional Guarantees, breach faith with their positions to attack angrily and virulently the constitutional reforms that the executive branch has proposed. The same applies to certain legislators who publicly boast about possessing an organized opposition to the government when they speak with the press or during political events, while inside the parliament they fight right and left to prevent the holding of elections in June.

I have with me the bill to reform the Constitution that was submitted to the National Congress. Its first clause states: The incumbent provincial deputies will continue to serve in their positions until 10 August 1988. Who signed this bill? The Democratic Left [ID] and the Revolutionary Party of Ecuadoran Educators [PREE] represented by ID Deputy Carlos Avila of El Canar; Hector Santillan, ID deputy of El Nato; Enrique Carpio, ID deputy of (El Ajuai), Giorgio Garcia, ID deputy of Loja; Virgilio Chapicela, ID deputy of El Canar, Jacinto Pocho, ID deputy of Carchi; Sergio Plaza, ID deputy of Manavi; Jorge Baldoquino, ID deputy of Imabura; Nelson Ortiz, ID deputy of Esmeraldas; Alejandro Zepeda, ID deputy of Cotopaxi; Victor Hugo Cordova, ID deputy of Chimborazo; Luis Cervantes, ID deputy of Imabura; Enrique Delgado, ID deputy of Manavi; Fausto Perez, PREE Deputy of Guayas, and Roberto Dunn Barrero, PREE deputy of Guayas.

Who, then, Ecuadorans, is attempting to boycott the June 1986 elections? The president of the Republic, who has pledged that they will be held? The ID [words indistinct] incumbent deputies extend their periods until 1988? [words indistinct] deaf and blind who refuse to hear and see reality and are attempting to [words indistinct] that we are attempting to prevent the holding of the June deputy elections by calling a plebiscite, I emphatically say: No! The president is not trying to do that. To prove once and for all and with deeds that this is not so, I announce to the Ecuadoran people that on the same day, 10 June, that the deputy elections will be held, and as one single event that will not disturb the people's day of rest or work, the Ecuadoran people will express their will regarding this sensitive issue of the independents' right to run for office without restrictions at the same time that they will choose their representatives, the deputies of the new national congress.

The plebiscite will not be held earlier because I believe that there is not sufficient time for the necessary preparations to be made and because the financial burden of two elections would not be congruent with the country's financial situation.

A new special session of congress has been convoked. During that session our legislature must be cautious and responsible, as it has been since -- fortunately for Ecuador -- the so-called progressive majority in congress lost its prevalence. This way Ecuadoran democracy, your peace, and everyone's well-being will continue to be preserved. Thank you and good evening.

BRIEFS

CRUDE OIL PRODUCTION -- Acting Ecuadoran Energy and Mines Minister Fernando Santos announced that crude oil production in 1986 will amount to 303,850 barrels daily, but will increase to 314,611 barrels in 1987. He added that by 1988, Ecuador plans to exploit 4 million hectares through 15 contracts, and that Ecuador strives to duplicate the reserves to reach 2 billion barrels and maintain a balance for export purposes of no less than 50 percent of the national production. Official statistics disclosed that by December 1985, Ecuador had reached the production of 303,850 barrels daily. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 15 Jan 86 PA]

OIL DRILLING PLANS -- The Ecuadoran State Petroleum Corporation, CEPE, has plans to drill 100 wells between now and 1989. The drilling will be done with equipment with the capability of drilling up to 12,000 feet and other equipment for drilling up to 6,000 feet [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 13 Jan 86 PA]

NEW PUBLICATION -- A new magazine called ECUADOR NUMERO DOS, published every 3 months by the Industries, Commerce, Integration, and Fisheries Ministry in Spanish and English, is circulating mostly abroad through the embassies, consulates, and commercial missions, as well as the local Chambers of Production and Commerce and embassies accredited in Ecuador. [Summary] [Quito Voz de Los Andes in Spanish 2331 GMT 15 Jan 86 PA]

BRAZILIAN FOREIGN MINISTER SETUBAL ARRIVES

PY282210 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 1500 GMT 28 Jan 86

[Text] Brazilian Foreign Minister Olavo Setubal was received this morning at the international airport by his Paraguayan counterpart J. Augusto Saldivar, government officials, and members of the Brazilian diplomatic mission in Paraguay. Minister Setubal gave a press conference at the airport. This is what he said:

[Begin recording] [Setubal] The diplomatic, political, cultural, and economic relations between Brazil and Paraguay are very important to us, as I believe they are to Paraguay. The purpose of this visit is to strengthen these ties even further.

Specifically, I can tell you that the Itaipu Treaty provided that some of its clauses could be amended 10 years after it was signed. Therefore, we negotiated and agreed to sign some documents that will be instrumental in making this extraordinary project operate normally and thus serve the interests of Paraguay and Brazil alike, since both countries are today largely dependent on the electricity supplied by the Itaipu dam.

[Unidentified reporter] Will the Itaipu binational enterprise directors as well as Minister Saldivar discuss the price of electricity?

[Setubal] Of course, one of the documents is about prices, the gold clause, including all the factors that influence the plant operation.

[Reporter] Will the restructuring of the Itaipu binational enterprise be discussed?

[Setubal] An agreement about this will also be signed. We will sign five documents in all. [end recording]

MINISTER CALLS FOR BROAD OIL PRICE AGREEMENT

FL281648 Mexico City NOTIMEX in Spanish 1505 GMT 28 Jan 86

[By Epigmenio Ibarra]

[Text] Tegucigalpa, Jan 28 (NOTIMEX) -- Petroleum exporting countries cannot, in the present situation, stand by with their arms folded, Secretary of Energy, Mines, and Parastatal Energy Francisco Labastida Ochoa has said here.

The official said it is indispensable for [petroleum] exporters and importers to reach agreement on production to make it possible to determine a new level of prices that will be compatible with the present world economic situation.

Labastida Ochoa, who headed the Mexican delegation to the inauguration of Honduran President Jose Azcona, said that to achieve equilibrium on the oil market, OPEC members and nonmembers must work together. It is necessary to hold dialogue, examine the problem, and reach agreements that lead to a new market level, which obviously will be good for all of us, he said.

The official said he was satisfied with this recent visit to Caracas, where he was received by President Jaime Lusinchi and held a series of meetings with Venezuelan Energy Minister Arturo Hernandez Grisanti. He described the coming meeting of Mexican and Venezuelan Presidents Miguel de la Madrid and Jaime Lusinchi as the result of the struggle of both presidents to defend national interests. He said the goal of the meeting in Mexico will be to study the crisis that is so dramatically affecting our economies, and take concrete measures leading to a reasonable solution.

The official said the oil market crisis is the result of a drop in prices to low levels that had not been seen in 6 or 7 years. Labastida said the crisis was caused by the fact that in a situation in which demand was dropping by 6 or 7 million barrels worldwide, certain industrialized countries persisted in producing and exporting more petroleum since 1981, affecting the exports of other countries and weakening the market.

Faced with this situation, the official said, we have said that it is necessary to arrive at an agreement on production to find a new level of prices that will be compatible with the world economic situation and satisfactory for the exporting countries. I am convinced the length of the crisis, the loss of income, the degree to which our interests and our standard of living will be affected will to some degree be determined by our actions and decisions, he said.

Labastida Ochoa favored the industrialized countries' taking the responsibility, given the present situation of the oil market. This process of active defense, he said, included the interviews in Caracas that culminated in the concertation of the meeting of the Mexican and Venezuelan presidents, and the maintaining of contacts with Algeria and Kuwait within OPEC and with nonmembers such as Great Britain, Denmark, and Ecuador.

OIL PURCHASE, SALE AGREEMENT SIGNED WITH JAPAN

FL282226 Mexico City NOTIMEX in Spanish 2110 GMT 28 Jan 86

[Excerpt] Mexico City, 28 Jan (NOTIMEX) -- Mexico and Japan signed a new agreement for the purchase and sale of oil which will allow Mexico to export an additional 20,000 barrels of crude to Japan daily.

The respective documents were signed in the presence of Mexican President Miguel de la Madrid by the Pemex director Mario Ramon Beteta and the Mexican petroleum import president Tokio Nagayama.

Previously, the purchase-sale contracts had established a volume of 160,000 barrels a day of Mexican oil to Japan. Today, the amount was increased to 180 [thousand barrels] a day.

USSR EXPRESSES INTEREST IN INDUSTRIAL COOPERATION

PA281839 Mexico City EL NACIONAL in Spanish 25 Jan 86 p 3

[Report by Jose Antonio Aicauter]

[Text] The Soviet Union is interested in economic and technological participation in several Mexican projects in the areas of heavy industry, telecommunications, transportation, and other priority areas.

Soviet Ambassador Rostislav Sergeyev told the above to this newspaper. He added that at this point talks are under way with the Mexican authorities that have expressed an interest.

The diplomat explained that although all negotiations are currently in the preliminary phase, it might be possible to talk about something more specific later this year.

POLICE CONFISCATE 689 KG OF 'PURE COCAINE'

PA281910 Paris AFP in Spanish 1428 GMT 28 Jan 86

[Text] Mexico City, 28 Jan (AFP) -- Narcotics smugglers left almost 700 kg of pure cocaine behind on a Mexican farm after the twin engine plane they were travelling in malfunctioned, the Attorney General's Office [Procuraduria de Justicia] has reported here, adding that the drug was later confiscated by the police.

The Colombian-registered aircraft staged an emergency landing Sunday night on a farm near the city of Tampico -- 600 km northeast of the capital -- after which, eyewitnesses reported, its two occupants hid several suitcases in the bushes surrounding the area.

The owners of the farm notified the police of the development, and they arrived on Monday to discover 18 suitcases containing a total of 698 kg of pure cocaine worth approximately $45 million on the black market, the largest amount of drugs ever seized in Mexico and one of the largest in the history of international drug trafficking.

The police continue to investigate the case in an attempt to track down the pilots of the plane, whom they suspect are still in Mexico.

U.S. CONGRESSMEN RECEIVE TREATY VIOLATION REPORT

PA281838 Panama City Televisora Nacional in Spanish 0000 GMT 28 Jan 86

[Text] Members of the Panamanian Legislative Assembly and the U.S. Congress met at the Justo Arosemena Legislative Palace today. The Panamanian legislators -- members of the legislature's Canal and Foreign Affairs Committees -- handed a report to the U.S. congressmen detailing U.S. violations to the Torrijos-Carter Treaties.

Legislator Luis Gomez discussed the need to reform Law 96-70 passed by the U.S. Congress in order to prevent the emergence of problems in U.S.-Panamanian relations. U.S. Representative Michael Lowry said that the report submitted by the Panamanian legislators will be examined.

PRESIDENT, PUBLIC EMPLOYEE UNION REACH AGREEMENT

PA230408 Panama City Televisora Nacional in Spanish 0000 GMT 23 Jan 86

[Text] It has been reported a few minutes ago that the dialogue between the government and National Federation of Associations and Organizations of Public Employees [Fenasep] leaders late this afternoon has been positive, leading to the final resolution of the problem. The meeting of President Eric Delvalle and Fenasep has just concluded. The organization has announced that it will lift the strike in 24 of the 25 government agencies that had stopped working. As the result of this accord, a commission of Fenasep and government representatives will be formed tonight and will begin work at 2030 to continue discussing the problem and to resolve it in everyone's best interests.

The government representatives at the commission will be Luis Blanco, Luis Navas, Campo Elias Munoz, and Ramon Segistan, vice minister of the presidency.

BRIEFS

DRUG SMUGGLERS ARRESTED -- Two Colombians, Pedro Antonio Molina and Angelica Meneses, were arrested by special narcotics forces on Saturday when they tried to bring 600 grams of cocaine into our country. The South Americans arrived at Tocumen Airport on an Air Panama flight. They had placed the drug in little plastic bags, which they placed in Angelica's shoes. The drug was discovered because of the peculiar way in which Angelica was walking. [Summary] [Panama City EXTRA in Spanish 14 Jan 86 p 2 PA]

EL SALVADOR

REACTION TO DUARTE AUSTERITY MEASURES CONTINUES

Blandon: Army Supports Measures

PA281702 Hamburg DPA in Spanish 1524 GMT 28 Jan 86

[Text] San Salvador, 28 Jan (DPA) -- General Adolfo Blandon, chairman of the joint chiefs of staff of El Salvador's Armed Forces, has told DPA that the Salvadoran Army supports Duarte's government and that the Armed Forces were informed in advance about the economic reforms that were to be decreed.

Blandon said, among other things: "I am not a technocrat. I am not an economist, but I understand that in making a decision such as the one which is now opposed, the government made pertinent studies."

He then added that what must be understood now is that the Salvadoran Armed Forces -- in the wake of the military conflict -- have increased the number of troops four-fold, and this involves extraordinary expenditures. "Our troops need to earn a salary and to eat, and many other demands posed by the situation must be met. This is the cost of war," the military officer stressed. Blandon was asked about this matter in the wake of doubts expressed by conservative sectors that perhaps the Army was not in agreement.

In addition, Blandon denied that certain commanders disagree with the so-called "economic package." Such rumors have circulated in the past few days. "I repeat that we have our constitutional duty, and the government has its functions. As an institution, the Armed Forces have not raised any objections," Blandon said, denying that Colonel Sigifredo Ochoa Perez had been summoned to the General Staff to be reprimanded for his alleged disagreement with the measures. Blandon also denied that Ochoa asked to be dismissed as commander of the important 4th Brigade of El Paraiso, with headquarters in Chalatenango Department, one of the departments the guerrillas have hit hardest.

ARENA Head Criticizes Measures

PA281947 San Salvador DIARIO LATINO in Spanish 25 Jan 86 pp 3, 15

[Text] President Duarte is showing symptoms of fear in response to the pressure he is receiving from the ranks of the opposition as a result of his poor economic policy, it was said yesterday during a news conference by the Nationalist Republican Alliance, ARENA, party.

ARENA President Alfredo Cristiani said his party is not attempting and will never attempt to destabilize the democratic process, although it will criticize every mistake that the government makes. Cristiani stated: The president does everything wrong. He is disappointing the people who voted for him in the belief that he would improve things.

According to ARENA's president, Duarte is making a number of mistakes, some of which may turn out to be constitutional violations. ARENA is defending democracy by ensuring that the Constitution is respected, Cristiani explained. Duarte's image as president is shabby. This detracts prestige from the office, which is the country's highest.

Duarte is playing the role of city cop with those inspection tours he conducts in markets, supermarkets, and other businesses to make sure the price control measures are being properly observed. That kind of behavior harms the image of any leader.

ARENA's current leader said Duarte is putting on a tasteless political show in an attempt to bolster his image. However, the people realize it is all demagoguery, that he is lying. Duarte looks worried because time is going by and he has not done anything for the people yet. That is why he now claims to be working on behalf of the poor.

With regard to the economic package, Cristiani said that Duarte met with various interest groups to brief them on the measures, but that they were neither consulted on the measures nor allowed to express opinions on them. That is why ARENA did not participate in those meetings. No statement criticizing the so-called "packaged swindle" would have been taken into consideration, he said.

D'Aubuisson Attacks Package

PA280415 San Salvador DIARIO DE HOY in Spanish 25 Jan 86 p 42

[Text] By midyear the official rate will be 8 colones per dollar and by the end of the year it will be 10 to 1, Major Roberto D'Aubuisson said last night during a televised program in which he referred to President Jose Napoleon Duarte's economic measures.

D'Aubuisson said that Nationalist Republican Alliance [ARENA] congressmen will not support any motion that seeks to make the free exchange of dollars a crime. D'Aubuisson criticized Duarte for picking on the 600 families who are in the currency exchange business. Since there are no other jobs, they must do this to be able to take care of their children, D'Aubuisson pointed out. D'Aubuisson said that if President Duarte wants to know something about dollars, he should consult his son Alejandro.

According to D'Aubuisson, Duarte no longer has any authority because every Salvadoran, including those around him, have rejected his economic measures. The subversives could take advantage of such a delicate situation, he added. For this reason we must implement a constructive political campaign in which Salvadorans will assume responsibility for ousting Duarte from power in the next elections, D'Aubuisson said. He also referred to the organization of a broad opposition fron with the participation of independent trade unions, the country's productive sectors, the conservative parties, and all of the country's active forces.

D'Aubuisson considered some of the economic measures good; but, as a whole, he felt the economic package will be a complete failure.

He also said that not all of the cabinet members are incompetent. However, some of them are, he added.

D'Aubuisson also mentioned the fact that it was Waldo Chavez Velasco who led the slander campaign against Duarte in 1972 and now, believe it or not, he added, Duarte has hired Chavez Velasco to run his millionaire campaign because neither Rey Prendes nor Roberto Viera can do the job.

D'Aubuisson displayed a document to prove that it was Duarte and his team who spread the rumor that the price of gasoline would be more than 14 colones so that later they could tell the people it would only cost 9.70 colones.

It was a way to deceive the people, he said. Regarding the family food supply, D'Aubuisson said it is not right because prices are going to go up. For instance, the price of beans will not go up at this time because we are still selling last year's crop, but nothing was said about this year's crop.

FMLN DECREES TRANSPORTATION STOPPAGE FOR 31 JAN

PA290402 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Jan 86

[Text] Attention, attention to the following information: The FMLN has decreed a new transportation stoppage on all the country's highways for 31 January. This is our reply to the economic measures with which Duarteism is trying to make the people pay for the war against the people. We repeat, the FMLN will enforce a new transportation stoppage on the country's highways on 31 January. We urge all our guerrilla units to strictly enforce this FMLN order for a transportation stoppage on all our highways.

FMLN EXPRESSES 'HAPPINESS' AT CHALLENGER LOSS

PA290331 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Jan 86

[Text] The U.S. space shuttle Challenger exploded on Tuesday morning, 1 minute and 47 seconds after it had taken off from Cape Canaveral, Florida, and the seven astronauts on board the space shuttle were killed.

The U.S. failure in the space shuttle project, marked by the Challenger's accident, represents an overwhelming blow to the so-called "star wars" program. The United States wanted to use outer space for military purposes through this program. Reagan has announced that all the flights to outer space have been suspended. In addition, two members of the Challenger's crew worked as pilots in the Vietnam war; in other words, they were two killers who sowed napalm in the martyrized Vietnamese land. Given that the Challenger's ostentatious failure represents an overwhelming blow to the U.S. Government's plans to extend the war to outer space, and given that two war criminals have died aboard the Challenger, we share the happiness felt by those who reject and condemn the U.S. imperialism's warmongering policy.

ARMY ARRESTS 118 GUAZAPA AREA 'REBEL SUPPORTERS'

PA281431 San Salvador Radio Cadena YSU in Spanish 1800 GMT 27 Jan 86

[News bulletin issued by the Salvadoran Armed Forces Press Committee, Coprefa, in San Salvador; read by unidentified Coprefa spokesman -- live or recorded]

[Text] Nine rebels were killed, weapons were seized, and two members of the Armed Forces were wounded during heavy clashes between troops of San Salvador's 1st Infantry Brigade and FMLN terrorists in El Izcanal hamlet, Suchitoto jurisdiction. One M-16 rifle, and two AR-15 rifles, and one M-60 machinegun were seized. Armed Forces Lieutenant Rodolfo Sanchez Xamatey and Military Cadet Artemio Arevalo Gaviria were wounded in the action.

Units of the same brigade arrested 118 rebels supporters, 73 in Mirandilla canton and 45 others in (Los Sanchez) canton and (El Candelero) River in Suchitoto jurisdiction. The actions were part of the "Phoenix" Operation currently underway on Guazapa Hill.

In other developments, troops of the 5th Infantry Brigade of San Vicente ambushed a rebel column of the People's Liberation Forces, FPL, in Los Laureles canton, San Sebastian jurisdiction, in this department. Three rebels were killed in this action, including Simon, an FPL political commander, while two M-16 rifles, military supplies, and rebel papers were seized.

Meanwhile, a rebel was killed during a clash against the 3d Infantry Brigade of San Miguel near El Chacho Hill, Sesori jurisdiction, in this department.

Peace, our goal.

'MYSTERIOUS' MILITARY AIRCRAFT CRASHES IN LA PAZ

Probably Flying Clandestinely

PA281503 San Salvador Canal Doce Television in Spanish 1900 GMT 27 Jan 86

[Text] An unidentified military plane was totally destroyed Friday when it crashed in El Zapote canton, La Paz Department. There are no major details available on this mysterious development. Part of the plane's remains fell on the El Paraiso Farm in Jaltepeque Lagoon. The owner of this private farm is keeping some of the airplane's remains in her San Salvador home. These fragments identify the craft's registration number as TAQ37505. Armed Forces personnel identified the plane as a (model 707-300 A craft.)

Isabel Maria de Lopez, owner of the farm where parts of the plane fell, indicated that the plane gradually came apart while in the air, leaving a dark column of smoke in its path. A part of the fuselage, approximately 6 meters long, also fell on her property. Mrs Lopez said Air Force personnel told her the aircraft is not registered in El Salvador and that an investigation into the case has been opened.

The plane appears to have entered Salvadoran territory clandestinely. It is not known how many people were aboard the plane or the fate they may have met.

Possible Supplier of Contras

PA282008 San Salvador Canal Doce Television in Spanish 0300 GMT 28 Jan 86

[Excerpt] A mysterious plane with a 90-passenger capacity or a similar weight in cargo exploded in the air, and its debris scattered around El Zapote canton, La Paz Department. Roxanna Lemus reports:

[Begin recording] An unidentified cargo plane disintegrated in the air while flying over the area near Jaltepeque, according to residents in the area. The mysterious plane, which based on its characteristics must have been a Boeing 707 with a capacity of 90 passengers or an equal weight in cargo, exploded in the air last Thursday, scattering its debris over a wide area in Jaltepeque. Area residents said that the plane initially left a column of black smoke behind, then they heard a blast as the aircraft exploded into many pieces.

Thus far there is no knowledge of any fatal victims as a result of this mysterious incident. After the explosion, townspeople searched the area for possible victims, but have found no human remains so far.

Both Civil Aeronautics and the Air Force have said that they have no knowledge of the aircraft's origin or destination. However, according to witnesses, the plane could have been carrying supplies for groups opposing the Sandinist regime.

Part of the plane fell on a farm owned by the Lopez-Rivera family, who decided to bring to San Salvador the aircraft parts showing its model and type, identifying it as a Boeing 707. This afternoon, members of the Air Force, supported by the National Navy, were searching for more fragments that could help clarify the mystery surrounding this incident. Later, Air Force helicopters transferred the aircraft fragments to this capital for inspection. [end recording]

HONDURAS

AZCONA MEETS BUSH, SEEKS AID WITHOUT CONDITIONS

PA281756 Panama City ACAN in Spanish 1652 GMT 28 Jan 86

[By Armando Cerrato]

[Excerpts] Tegucigalpa, 28 Jan (ACAN-EFE) -- President Jose Azcona Hoyo said today that Honduras needs urgent financial aid but will not accept it "if it is granted under conditions of sacrifice for the people, to the detriment of national sovereignty, or subject to costly commitments."

Azcona, 59, met yesterday with U.S. Vice President George Bush, who headed the U.S. delegation to the new Honduran president's inauguration. "We discussed general topics in our meeting with Bush, and we reiterated what we had said in the inaugural speech: that we hope to strengthen our friendship with the United States, that we appreciate the financial and military aid and assistance they give us, and that we hope that our relations will be based on mutual respect, without our sovereignty being harmed," Azcona said.

Azcona added that he did not discuss with Bush the subject of the funds for Honduras that have been frozen by some international financial institutions "upon U.S. instructions." Included in the frozen funds that had been already approved is a $50 million donation from USAID. The United States has demanded a series of economic conditions prior to delivering the donation, which the Honduran Government claims to have complied with.

However, spokesmen of the economic cabinet have said that the United States expects Honduras to allow the transit through its territory of all U.S. aid for the Nicaraguan "counterrevolutionaries." "My government will not tolerate pressures from any foreign government, as we believe that aid must be given without conditions or pressures, to complement our own development efforts," Azcona stressed.

SUAZO SPEAKS AT AZCONA INAUGURATION CEREMONY

PA281524 Tegucigalpa Voz de Honduras Network in Spanish 1604 GMT 27 Jan 86

[Speech by President Roberto Suazo Cordova at the inauguration of President-elect Jose Simeon Azcona Hoyo at Tiburcio Carias Antino National Stadium in Tegucigalpa -- live]

[Text] President of the National Congress, President of the Supreme Court of Justice, President-elect Jose Azcona, presidential designates, heads of state and government

of friendly countries, vice presidents and heads of diplomatic missions and international organizations, Commander in Chief of the Armed Forces, members of the Armed Forces Superior Council, deputies to the National Congress, members of the Supreme Court of Justice, cabinet members, bishops of the Republic, mayor of Tegucigalpa, media representatives, special guests, ladies and gentlemen, Honduran people:

When I assumed the presidency of the Republic, complying with the Honduran people's mandate, I invoked God and asked him to inspire our efforts and initiatives during the 4 years of government. Today, I humbly thank God for the spiritual strength he gave me, for the understanding he inspired in all Hondurans, and for giving me the privilege of delivering the government at the end of my constitutional term [shouts] to a political comrade. It is also my duty at the end of my presidential term to express my deepest gratitude to all my compatriots, without exception: to those who entrusted to me the nation's destiny, to those who responsibly criticized my government's actions, to those who gave the best of themselves in order to successfully face national and international problems, and to those who by placing obstacles in our way redoubled our determination not to be defeated.

I leave the presidency of the Republic without hard feelings toward anyone. [shouts] I leave full of hope, because I know that today Honduras enters a new phase of democratic consolidation and development. You are witnesses of how much effort this required. However, neither the burdens that this responsibility entailed nor the bitter moments while in power will ever tarnish the enormous satisfaction I feel for the opportunity given me to contribute to the necessary and urgent task of democratizing Honduras. I am delivering a country in liberty. [shouts]

I leave with great hopes, because the Honduran people are becoming more aware each day of their civic duties, their political responsibility, and their duty to work for the progress and well-being of all our fellow citizens. I am delivering a country in peace. [shouts] I leave full of hopes, because although the next government will have a difficult task ahead, we have managed to curb the economic and financial problems that ominously threatened our near future. Preventing our economic downfall and stabilizing and reactivating our economy was one of our main concerns. I am delivering an economically restored country. [shouts]

I am leaving full of hope because our national defense -- which is every citizen's duty -- is safeguarded by an armed institution with clear democratic and republican principles, and with professional and technical capabilities. [applause, shouts]

Because effective diplomatic actions have always had a prominent role in the peaceful solution of controversies, I deliver a country that is sure and confident of its own destiny. [applause, shouts]

I regret, however, that the adverse economic and political circumstances during my term did not permit me to do more for Honduras, to tend to all the aspirations, and to fulfill all my promises. Political will is not always consonant with a government's reality.

Nevertheless, I believe that my government has marked the first phase in restoring our country's democracy at this time. We will continue to contribute with our efforts aimed at ridding our country of its social problems and economic woes, in order to meet the general expectations of having a homeland where liberty and justice prevail.

Commander in chief of the Armed Forces, [shouts, whistling] at this historic moment I wish to express my deep gratitude to you and to all the members of our military institution for all the cooperation I received from you. I reiterate my renewed sympathy because the Honduran threshold has remained and continues to remain firm in defense of our government and people's principles and philosophies, as well as our national values, in order to face our future with optimism.

I also express my recognition to the various sectors of Honduran society: the political, economic, and social sectors, the workers and peasants, private enterprise, the Catholic Church, and the media for their support, initiatives, and advice -- amid mishaps and difficulties -- during the period ending today, a period that has also given me great satisfaction.

President-elect, Hondurans and the international community are rejoicing today at this special ceremony in which you will assume the country's presidency. With renewed faith in Honduras' promising future, I express my best wishes for a successful administration. I know that as a citizen of outstanding qualities, you will comply with the Constitution and will honor the memory of our forefathers with your daily work. May God be your guide in the difficult performance of your delicate functions. [shouts, whistling]

Dear compatriots, as I embrace you fraternally in my last presidential act, I do so with the same humility and patriotism with which I addressed you on the day I assumed this high position. As I look back, I do so with pride and with the certainty that I have fulfilled my duty. Thank you. [applause]

NICARAGUA

PROTEST SENT TO COSTA RICA ON HELICOPTER ATTACK

PA290346 Paris AFP in Spanish 0302 GMT 29 Jan 86

[Text] Managua, 28 Jan (AFP) -- The Nicaraguan Government today filed a protest with The Costa Rican Government for an attack last weekend, reportedly from Costa Rican territory, against an Mi-8 helicopter. The attack was reportedly made by anti-Sandinist rebels. According to the official report, the attack by the anti-Sandinists occurred while the Soviet-made aircraft was flying over the Nicaraguan border to supply Sandinist People's Army, EPS, troops. The report added that one of the aircraft windshield panes was damaged, but that none of the crew members was hit.

The protest note said: "Again, the Nicaraguan Government is forced to file a firm and vigorous protest over an attack from Costa Rican territory. This one is to be added to another that occurred on 16 January against two Sandinist Air Force helicopters." The Nicaraguan Foreign Ministry's note reiterated the need for the Costa Rican authorities to reinforce their vigilance on the border with Nicaragua so that "such regrettable events do not occur again."

RAMIREZ ON U.S. 'UNREASONABLENESS,' HONDURAS TIES

FL281752 Mexico City NOTIMEX in Spanish 1532 GMT 28 Jan 86

[by Epigmenio Ibarra, correspondent]

[Excerpts] Tegucigalpa, 28 Jan (NOTIMEX) -- Nicaraguan Vice President Sergio Ramirez has told NOTIMEX that the fact that the United States continues to oppose a peaceful solution to the Central American conflict does not mean that Nicaragua is going to stop pursuing a negotiated solution.

Ramirez Mercado, who headed a delegation from his country to the inauguaration ceremony of the new Honduran President Jose Azcona Hoyo, asserted that the U.S. unreasonableness toward the Contadora Group's express petition made in its Caraballeda message for peace in the region is shown by the Reagan administration, which is now trying to give $100 million to the counterrevolution. He said concrete measures need to be taken. It will be very difficult to negotiate if the United States does not change its aggressive policies and its unwillingness to find peace. He insisted that the next step is to take concrete measures for the Caraballeda countries (Mexico, Venezuela, Colombia, Panama, Argentina, Brazil, Peru, and Uruguay) to meet with U.S. Secretary of State George Shultz to strongly express to the United States the need for a dialogue with Nicaragua and an end to the aggression.

Likewise, Sergio Ramirez announced that one of the missions of this trip is to arrange an open agenda meeting, under the conditions the new Honduran President decides, between President Daniel Ortega and Azcona Hoyo.

Referring again to the dispute with the United States and U.S. Vice President George Bush's position when he says it is not time for talks if no concrete actions are taken, Ramirez said that in effect the United States is taking concrete aggressive actions by requesting $100 million-worth of aid for counterrevolutionary groups.

Ramirez noted: We foresee few possibilities for change and, despite this, we continue our efforts in resuming the dialogue. We are willing to go to Manzanillo, Mexico or any part of the country, or to another country, if they want to and with an open agenda.

On another matter, Ramirez said the defeat of the counterrevolution is causing the possibility of a direct intervention to haunt us again.

About Nicaraguan Monsignor Obando y Bravo, who recently toured the United States denouncing the Sandinist regime, the vice president asserted: the archbishop is working for the State Department and for us. The place of an archbishop is with his people in Nicaragua, and not with lobbyists in Washington.

The Nicaraguan vice president reiterated Nicaragua's willingness to sign nonviolent bilateral agreements with countries of the area based on respect to autonomy, self determination, and nonintervention in domestic matters. Finally, Ramirez said: We believe that besides multilateral agreements, which can be reached through the Caraballeda message or Contadora, it is important to think about settling differences through nonviolent agreements. We wish we could sign this kind of bilateral agreement with Honduras and El Salvador.

DEFENSE MINISTRY BULLETIN ON BATTLES WITH CONTRAS

PA280417 Managua Domestic Service in Spanish 0116 GMT 28 Jan 86

[Bulletin issued by the Defense Ministry's Public and Foreign Relations Directorate in Managua, dated 27 January -- read by Noel Fuentes]

[Text] The Sandinist People's Army's [EPS] permanent troops, in conjunction with Interior Ministry special units, have inflicted 109 casualties on the Somozist counterrevolutionaries.

Among the casualties are: 59 dead, 16 wounded, 32 captured, and 4 who surrendered. This is the result of the recent confrontations between 12 January and 25 January.

Meanwhile, the counterrevolutionary groups have carried out kidnappings and sabotage against economic targets. This is their alternative to the irreversible defeat the EPS has inflicted on those forces. The confrontations were reported in the Departments of Chontales, Zelaya, and Jinotega. The details of these confrontations follow:

Action Around the Jinotega and Matagalpa Departments

On 15 January EPS troops clashed with counterrevolutionary groups in the area of the Toro River, 9 km southeast of San Jose de Bocay, Jinotega Department. The mercenaries suffered one casualty and a rifle military equipment were recovered.

On 18 January fighting erupted 7 km east of San Rafael del Norte, Jinotega Department. The Somozist counterrevolutionaries suffered four dead and three wounded.

On 19 January fighting was reported 10 km northeast of Wamblan, Jinotega Department. The counterrevolutionaries suffered two casualties, including one death. We also recovered a G-3 rifle and a Chinese-made AK rifle. On that same day a clash occurred at (Las Pinitas) Hill, 14 km southwest of Rio Blanco, Matagalpa Department. Our troops annihilated four counterrevolutionaries and wounded another. We recovered four FAL rifles.

On 21 January another clash occurred in the area of El Tigre Hill, 22 km northeast of San Sebastian de Yali, Jinotega Department. Five counterrevolutionaries were captured; one of them had been wounded.

On 23 January fighting erupted 16 km southeast of (Waslika), Matagalpa Department. The counterrevolutionaries suffered three dead. On this same day fighting occurred in the areas of Canta Gallo Hill and Yarao, 26 km and 29 km north of Rio Blanco, Matagalpa Department. Two mercenaries were killed and four wounded during this clash. Three FAL rifles were recovered.

On 24 and 25 January our troops fought in the areas of Wanawas, 19 km north and 26 km northwest of Rio Blanco, Matagalpa Department. The mercenaries suffered 11 dead, and 6 civilians who had been kidnapped were rescued.

Actions Against the Civilian Population

On 14 January in (Naranjal), 11 km northwest of Mulukuku, Matagalpa Department, a group of mercenaries intercepted a Construction Ministry, MICON, vehicle. The vehicle was burned.

On 17 January, 24 km east of (El Suma), a group of mercenaries who were withdrawing kidnapped 38 peasants from the nearby communities of La Union, La Flor, El Limon, (Valle Escalon), and La Esperanza.

Actions in the Boaco, Chontales, and Zelaya Departments

A clash with the mercenaries took place in the area of Pilan, 36 km north of Muelle de los Bueyes, Zelaya Department on 12 January. As a result of this clash, two counterrevolutionaries were killed and five were wounded.

On 14 January fighting erupted in the areas of (Punteagudo) Hill and (Colonia Serrano), 39 km northeast and 25 km southwest of Nueva Guinea, Zelaya Department. Two counterrevolutionaries were killed and two others were captured. Two Chinese-made AK rifles and an M-14 rifle were recovered.

On 15 January fighting was reported at (El Chorizo) creek, 8 km northeast of Waslala, Zelaya Department. Our troops captured two armed counterrevolutionaries and annihilated a mercenary.

On 16 January fighting took place in Buenos Aires, 32 km northwest of (La Pinuela), Zelaya Department. Our troops annihilated two counterrevolutionaries and recovered an AK rifle and an M-14 rifle. On this same day fighting erupted in the area of (Kisaurita), 30 km north of Santo Domingo, Boaco Department. Our troops annihilated two Somozist mercenaries. Among the annihilated mercenaries was the leader of a detachment called Vencedor. Our troops recovered an AK rifle and an M-16 rifle.

At El Zapote creek, 27 km northeast of San Miguelito, Rio San Juan Department, an EPS search patrol found a common grave in which three mercenaries were buried.

On 18 January in El Rama, Zelaya Department, four counterrevolutionaries surrendered with their weapons to EPS troops. The four counterrevolutionaries are: Florencio Sequeira, Carlos Antonio Lopez, Carmelo Solis, and Jacinto Solis.

On 19 January fighting erupted in Los Cimientos, 38 km northeast of Camoapa, Boaco Department. Our troops annihilated the mercenaries.

On 19 January, 25 km east of Bocana de Paiwas, Zelaya Department, seven counterrevolutionaries were annihilated by our troops supported by the Sandinist Air Force. On this same day fighting was reported in the area around (La Chata) Hill and El Espejo, 19 km and 20 km southwest of Nueva Guinea, Rio San Juan Department. The counterrevolutionaries suffered two casualties and two others were captured. An AK rifle was also recovered.

On 20 January fighting was reported in El Consuelo, 28 km southeast of Camoapa, Chontales Department. Three counterrevolutionaries were captured.

On 21 January fighting erupted in (Cano El Caracol), 30 km northwest of El Rama, Zelaya Department. The mercenaries suffered three dead and two others were captured. Two AK rifles and a G-3 rifle were recovered from the mercenaries.

It was also learned that on 21 January EPS troops, supported by special Interior Ministry units, captured 2 counterrevolutionaries and rescued 104 civilians who had been kidnapped by mercenary groups. This action took place between 9 and 12 January in the area of San Francisco, 33 km southwest of Bluefields, Zelaya Department.

On 21 January, EPS troops captured two counterrevolutionaries on El Tablon Hill, 37 km northwest of Camoapa, Boaco Department.

On 22 January fighting erupted on El Toro Hill, 36 km from Siuna, Zelaya Department. At that time 2 mercenaries were captured and 12 peasants, who had been kidnapped previously, were rescued.

On 25 January a group of counterrevolutionaries clashed with EPS troops in La Florida, 14 km north of Waslala, Zelaya Department.

This resulted in the death of three mercenaries, and four FAL rifles were recovered. On this same day fighting erupted in San Ramon, 17 km southeast of Waslala, Zelaya Department. The mercenaries suffered three dead and two wounded.

On 25 January an Mi-8 helicopter of the Sandinist Air Force was on a supply mission in La Penca, in the area of Isla del Venado between Sarapiqui and La Penca, when it was attacked by mercenary forces from Costa Rican territory. The helicopter's windshield received a direct hit; however, no victims were reported. The officers who commanded the helicopter are: Captain Javier Moreno, pilot; and Juan Tinoco, the copilot.

Actions Against the Civilian Population

On 15 January a group of mercenaries attacked a civilian station wagon in the area of (Cano Gengibre), 8 km north of El Almendro, Rio San Juan Department. The mercenaries stole 100,000 cordobas and personal property from the owner of the station wagon.

On 21 January a group of counterrevolutionaries attacked La Horqueta UPE [State Production Unit], 26 km south of (Asoyapa), Chontales Department. The UPE was partially destroyed and a peasant was kidnapped.

On 22 January in the area of El Castillo, 15 km southeast of Mulukuku, Zelaya Department, a group of counterrevolutionaries partially burned two People's Commercial Corporation, cargo trucks.

On 24 January a group of counterrevolutionaries attacked a boat and two dugouts sailing from Bluefields to (La Hermita San Francisco) to La Perla, 31 km southwest of Bluefields, Zelaya Department. No victims were reported.

Managua, 27 January 1986

Defense Ministry, Public and Foreign Relations Directorate

Free fatherland or death!

ORTEGA SENDS CONDOLENCES TO CHALLENGER FAMILIES

PA291315 Managua Radio Sandino in Spanish 1200 GMT 29 Jan 86

[Text] Nicaraguan President Commander Daniel Ortega yesterday sent the most sincere condolences in these difficult moments to the relatives of the astronauts of the space shuttle Challenger, which exploded yesterday soon after its launching.

In a brief message, the Nicaraguan president said: On learning of the tragic death of your relatives, the Government and people of Nicaragua send you our sincere condolences.

The Sandinist radio and television stations gave full coverage to the major catastrophe in U.S. space adventure, a tragedy which had a deep impact on the Nicaraguan people.

BUSH ADMITS CONTRA SUPPORT, VOWS CONTINUATION

PA281957 Managua Radio Sandino in Spanish 1200 GMT 28 Jan 86

[Text] Reiterating the clear violation of international law by the U.S. Government, U.S. Vice President George Bush stated in Tegucigalpa yesterday that the United States is helping Nicaraguan counterrevolutionaries because in that way it can also support democracy. This seems very clear, the vice president emphasized. Of course it is so; only those who want to pretend they are blind won't see, because it [the United States] is admitting it openly.

Bush also said that, historically, we have been concerned about seeing to it that our aid reaches the contras, and we will continue to be concerned that this aid won't be lacking. In addition, the U.S. Government will help Honduras maintain and strengthen its defense and territorial integrity in the face of communist aggression.

We know that Bush is referring to Nicaragua. Of course, the U.S. vice president must not have liked the remarks by Honduran President Jose Azcona, who said he will talk with the Nicaraguan Government in the search for an understanding that helps peace in Central America.

PSC LEADERS DENY INVOLVEMENT IN 'SCORPION' PLOT

PA260432 Madrid EFE in Spanish 0307 GMT 26 Jan 86

[Text] Managua, 25 Jan (EFE) -- Nicaraguan Agustin Jarquin, former president of the Social Christian Party (PSC), today rejected charges implicating him in a recently thwarted "terrorist" rebel plan against the Sandinist government. Leader Agustin Jarquin said: "Any attempt to link the PSC, its current President Erick Ramirez, or me with any armed movement is nothing more than a clumsy scheme that would seem to undermine the possibilities for a peaceful solution to the crisis."

Yesterday, Sandinist authorities exhibited four accomplices of the so-called "Scorpion" "terrorist" plan designed to blow up bridges, supermarkets, movie theaters, basic grain silos, electric plants, and embassies of socialist countries accredited in Managua. Captain Andres Garcia, deputy chief of state security organizations, said the PSC "is nourishing itself with counterrevolutionary elements."

Regarding that charge, Jarquin said: "The Sandinists should realize that the counterrevolution is also made up of former members of the National Assembly, the Army, the party [as received], and former ambassadors." "Our party rejects violence as a way to solve the conflict, said Jarquin, who added that his political group would rather solve problems in a "civic way" and is not involved in any "illegal activity." He added: "This repressive escalation takes place at a time when the possibility for a national dialogue is increasing because of two facts: a new surge in the Contadora process and the consensus of opposition parties on the need for a dialogue."

WHEELOCK: COFFEE HARVEST GOOD DESPITE CONTRAS

PA281249 Managua Radio Sandino in Spanish 1200 GMT 27 Jan 86

[Excerpts] A warm welcome was given yesterday afternoon to a contingent of 600 government workers who waged the coffee battle for 2 months in the area of La Valla, Matagalpa.

They have now returned victorious and pleased because they fulfilled their duty. Commander of the Revolution Jaime Wheelock Roman, minister of agricultural development and agrarian reform, Commander of the Revolution Bayardo Arce Castano, deputy coordinator of the FSLN Executive Commission, other revolutionary government officials, family, and the people in general publicly recognized the work done by the voluntary coffee pickers.

Commander Wheelock said no counterrevolutionary attacks have been reported since the coffee harvest began. This is due to the levels of organization achieved this year and because the pickers went to work with their rifles in hand. Wheelock said the coffee harvest does honor to our slogan of "25 years later, all weapons against aggression." It represents another defeat of imperialism because with the foreign exchange the country will get from its sale on the international market, vital needs of the country will be attended to.

[Begin Wheelock recording] Exactly 2 months since these contingents left, and just as we promised on the day we bid them farewell, they are returning victorious, and we, our National Directorate, government, and party, welcome them with love and appreciation. We are all here in this small plaza to welcome them and their families and children.

The voluntary picking of coffee is undoubtedly a weapon against the aggression, a weapon that has defended a harvest that would have probably been lost had they not been here. The voluntary pickers pick 40 percent of the state's production. They also pick 10 percent of the production of the cooperatives. They are present at the moment when we need them the most, when there is a shortage of traditional pickers, and they pick, the bean that is beginning to over-ripen. They have been a necessary and indispensable factor to achieving this year's high yield from which the country will benefit. The country will benefit from the quality this crop will offer on the international market.

Also, from the political and military viewpoint, the massive presence of thousands of armed pickers has been a powerful dissuasive factor for the desire to kill off the counterrevolutonary bands that wanted to attack, destroy, and stop our productive efforts. [end recording]

Commander Wheelock continued by saying that more than 500,000 quintals of coffee have been picked, and he praised the patriotic attitude of 19,152 voluntary pickers who are participating in this important productive task. Commander Wheelock regretted the accidental deaths of five pickers.

[Begin recording] At the national level we have already picked 500,000 quintals of premium coffee -- that is, 50 percent of the country's coffee crop. Even though it is true that we have begun to demobilize this first contingent, currently we have 19,152 companeros mobilized. Of these 19,152 companeros, 4,400 are UNE [National Employees Union] companeros [applause]; 10,538 are 19 July Sandinist Youth companeros [applause]; 200 are Interior Ministery companeros [applause]; 367 are CST [Sandinist Central Organization of Workers] companeros [applause]; 387 are UNAG [National Union of Farmers and Cattlemen] companeros [applause]; and 3,312 belong to other various organizations and institutions. [all figures as heard] [end recording]

FOREIGN TRADE MINISTER OPTIMISTIC ON COFFEE PRICES

PA281859 Managua BARRICADA in Spanish 26 Jan 86 p 1

[Text] "Nicaragua has already been able to place almost 60 percent of its coffee crop in the international market," Foreign Trade Minister Alejandro Martinez Cuenca told BARRICADA yesterday.

He said the price situation is "quite confusing" following the meeting of the International Coffee Organization (OIC) on Thursday.

He explained that in that meeting the OIC decided to postpone implementation of the international agreement until 19 February because many producer countries are worried that the increase in prices will lead consumers to replace coffee with other products, thus affecting world production.

"The drought in Brazil, the damage caused by the earthquake [as published] in Colombia, and the shortages declared by Honduras, Costa Rica, and El Salvador have led to higher prices. Changes in prices are being detected," the minister added.

The minister said the current coffee market is "very unstable." He said the current price of delivery for March is $239; for May, $241; July, $244; September, $248; and in December, $251. "We believe that some weeks will have to pass before the market stabilizes," he said.

"Nicaragua's policy," he added, "has been to wait in order to clearly see what the trend in coffee prices will be. Nevertheless, we have been gradually selling it and hope to be obtaining higher prices for the coffee already harvested in order to increase the foreign exchange revenue from coffee this year."

TIRADO LOPEZ ON INDUSTRIAL WORK, AID TO CONTRAS

PA270018 Managua Radio Sandino in Spanish 0000 GMT 26 Jan 86

[Excerpts] Commander of the Revolution Victor Tirado Lopez has said that the revolution is the workers who are putting forth their best efforts to change society, and therefore, it is essential that a special effort be made to increase the levels of production and productivity and lower the operations cost. Commander Tirado Lopez made this statement during an assembly at which the industrial sector evaluated its work. The assembly was held today at the headquarters of the Sandinist Central Organization of Workers, CST.

The workers, directors of the industrial enterprises, and the people in general, will defeat the financial aid the Reagan administration is giving the Somozist mercenaries, Commander Tirado said. Commander Tirado stressed that it is not possible for the world to remain impassive in the face of a direct aggression promoted by Yankee imperialism, and that in the face of this situation, Latin America should unite to confront the aggression against Nicaragua and exert pressure for the U.S. Congress not to approve more aid for the mercenaries. If the U.S. Congress approves the more than $100 million in aid proposed to the counterrevolutionaries, the situation in Nicaragua will become very serious because this would represent a declaration, or rather an open and declared war, the Sandinist leader added. In view of the situation ahead of us, we must be alert to defeat the aggression and this will be an effort for the country's workers.

Without mentioning him by name, Commander of the Revolution Tirado Lopez spoke of the slander campaign that Cardinal Miguel Obando y Bravo is spreading around the United States, the United Nations, and the OAS. The slander campaign is against the revolutionary process and it is being carried out at a moment when Reagan is asking for more financial aid for the mercenaries. Tirado Lopez said the United Nations and the OAS have other problems to resolve and these are not precisely religious problems.

ARDE COMMUNIQUE ON ALLIANCE WITH FDN PUBLISHED

PA242133 San Jose LA REPUBLICA in Spanish 15 Jan 86 p 2

[Text] Under no circumstances will we negotiate with communism or let up in our struggle against the Marxist regime of Managua. This pledge was made to one of our reporters by the following contra leaders: Commander Eden Pastora, who has returned to the fight in the mountains; Pedro Rafa; Franklin Ganzo; Emiliano Chaparro; Navegante, who is fighting in Nueva Guinea and was represented by Oscar; and Leonel, who is fighting in El Almendro and was represented by Canario.

The meeting with the commanders took place in Nicaraguan territory on the banks of the San Juan River, close to the former "Tango" guerrilla camp.

Pastora and the commanders of the various military zones in Nicaragua said they had arranged the meeting to formulate a joint declaration regarding the recent publication of a statement of understanding signed jointly by the commanders of ARDE [Democratic Revolutionary Alliance] and the FDN [Nicaraguan Democratic Force], who met in central Nicaragua, according to statements made when the document was released by FDN spokesmen.

The commanders' declaration is as follows:

1. The document, signed by ARDE and FDN commanders in the heart of Nicaraguan territory, is indisputable proof of the fighting existence of the ARDE columns and of their physical and aggressive presence deep inside Nicaraguan territory.

2. The document, which was released by a sector of UNO [Nicaraguan Opposition Unity], was conceived, drafted, and signed under the direction of Commander Eden Pastora, who kept in touch with his lieutenants throughout the period of negotiations. The document also had the acceptance and support of Adolfo Calero, top chief of the FDN, who, like Pastora, approved the wording and authorized the signing of the document.

3. The commanders of the ARDE military zones who signed the document, and other commanders who did not sign it because they were not present at the time of signing, have endorsed and supported it. By the express decision of its signatories and sponsors, the document guarantees the ideological autonomy and political individuality of the groups that signed the pact of unity for the achievement of the common goal: the liberation of Nicaragua.

4. The ARDE commanders reiterate their call for the union of all the armed and political opposition sectors of Nicaragua in a democratic, pluralistic, realistic, and efficient system. In this regard, they also reiterate their appeal for talks and understanding between the BOS [Southern Opposition Bloc] and UNO.

5. The ARDE commanders of the various military zones, who are in control of a large part of Nicaraguan territory, reiterate their firm support for and solidarity with Commander Eden Pastora Gomez, commander in chief of all the ARDE guerrilla forces.

6. The commanders of military zones report that the understanding with the FDN commanders, which dates from early November, has not resulted in any form of aid for the southern front, which for 2 years has not received a single penny except for aid from private individuals in the United States and other countries.

Not a single penny of the humanitarian assistance approved by the U.S. legislative branch has reached the southern front of Nicaragua.

The alliance reached with the FDN has not produced a single rifle or bullet for the southern front, which continues fighting in utmost penury; yet its presence in the center of Nicaragua has been proved.

7. The ARDE commanders state categorically that they oppose any involvement in drug trafficking, without any doubt or hesitation, and they maintain that if they are given proof that any ARDE member is involved in criminal acts of this nature, no matter who he is or what his positive in the ARDE hierarchy, he will be punished immediately and turned over to the authorities of a democratic and just country. They also state that the rumors regarding this problem that have been circulating around the country are merely enemy propaganda, which is why they cannot be proved,

8. The commanders maintain that they will continue struggling for the liberation of Nicaragua, even if they must do so with only their fingernails.

LABOR MINISTER ANNOUNCES NEW INCENTIVES POLICY

PA270101 Managua Radio Sandino in Spanish 0000 GMT 26 Jan 86

[Text] Nicaraguan Labor Minister Benedicto Meneses today told the workers and directors of the People's Ownership Sector and the private sector that an incentives policy will soon be implemented for all the enterprises that surpass their production levels. By decreasing operation costs and increasing productivity with efficiency, labor discipline, and a patriotic spirit, we will be guaranteeing the demand for supplies and defending the worker's purchasing power. The minister added:

[Begin recording] We believe that an incentive is a measure implemented from cost reduction and increased production. Such an incentive does not represent a wage complement or payment for work done. It is the result of a series of efforts aimed at increasing production and guaranteeing lower costs, efforts that have a favorable result on prices and, therefore, defend the purchasing power of the workers, their income, and their possibility of purchasing property because of their established wages. In some way, the adjustments being made to the wage scale, allowed this type of [words indistinct] in the implementation of the incentives [words indistict]. Therefore, taking this situation into consideration, the government has decided to strengthen the [words indistinct] so that in 1986 we can implement an incentives policy that will truly have a positive effect on the worker's pockets and truly raise production and productivity, and defend the people's purchasing power. [end recording]

CONDOLENCES SENT TO U.S. ON CHALLENGER TRAGEDY

FL290151 Havana Television Service in Spanish 0100 GMT 29 Jan 86

[Text] The Cuban people are not insensitive to the profound pain that afflicts the U.S. people following the space shuttle Challenger's accident, which among other victims included a school teacher whose students were watching the flight. During these moments of national grief, conveying the Cuban people's sentiments, the Cuban Government sends its condolences to the U.S. people for that painful tragedy.

[signed] Cuban Government, 28 January 1986.

MALMIERCA ENDS 4-DAY VISIT TO HARARE, DEPARTS

FL281432 Havana Radio Progreso Network in Spanish 1200 GMT 28 Jan 86

[Text] Cuban Minister of Foreign Relations Isidoro Malmierca has left Harare, the capital of Zimbabwe, after completing an official 4-day visit to that African country. During his stay in Harare the Cuban foreign minister was received by Zimbabwean President Canaan Banana and Foreign Minister Robert Mugabe.

FIDEL, RAUL CASTRO ATTEND R. CIENFUEGOS FUNERAL

FL281950 Havana Television Service in Spanish 1800 GMT 28 Jan 86

[Excerpt] Commander in Chief Fidel Castro, first secretary of the party Central Committee, and Army General Raul Castro, second secretary, have attended the interment of Ramon Cienfuegos Flores, father of Camilo. Ramon Cienfuegos, who died of a heart attack, was buried this morning in the pantheon of the Armed Forces at Colon Cemetery. During the pseudorepublic, Camilo's father distinguished himself by his defense of the Spanish Republic and by his participation in the struggle for the rights of the Cuban working class.

ESPIN SPEAKS AT MARTI ANNIVERSARY CEREMONY

FL290323 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 0134 GMT 29 January carries recorded coverage of a ceremony at Havana University's main auditorium commemorating the 133d anniversary of Jose Marti's birth. Vilma Espin, alternate Politburo member and president of the Federation of Cuban Women (FMC) is the main speaker. The establishing shot shows Espin standing in front of the Cuban emblem while the Cuban national anthem is played. The camera pans the audience in the balcony of the auditorium and then switches to the main floor, which appears to be full, with some people standing in the back. Two unidentified men are standing on either side of Espin. Neither Fidel Castro nor his brother Raul are present at the ceremony.

Espin briefly outlines Marti's youth, his writings, and his expanding interest in America. He was concerned about the Indian's plight and grew even closer to workers, she says. Marti confronted world problems, Espin says. "He spoke about political and scientific figures and artists. He was interested in scientific, technical, and cultural innovations. Most importantly, he penetrated U.S. reality, discovering the workings of growing monopolistic capitalism and the situation of Hispanic America, recently liberated from colonialism and destined to be devoured by growing imperialism."

Espin says that history since Marti's time is known. "In the hands of its only enemy, as Marti had predicted, the American peoples' economy collapsed," she says. She continues: "Drowning in underdevelopment and dependency, they are bleeding at a rapid rate, almost to the point of becoming subhuman. Now they are under the unbearable weight of the foreign debt, and its interest rates are growing daily." The FMC president states that inflation increases, while "resources for basic human needs are not available." Espin goes on to say: "The seriousness of the situation and the imminency of great social uprisings as a result have been noted by Fidel Castro, who has reiterated this warning at each of the important meetings held in Cuba analyzing underdeveloped countries' foreign debts and the need for a new international economic order."

Espin continues: "Non-payment of the foreign debt, Latin American economic integration, and establishment of a new international economic order will be the first steps in beginning the battle for development. With all urgency, Fidel has called for unity against the enemy to conquer in this decisive battle." She states that during the last century Marti also called for this same unity.

According to Espin, one of Marti's greatest achievements was the creation of the Cuban Revolutionary Party to liberate his fatherland from imperialism. Marti saw the need for a party that would unite Cubans in combat and make liberty possible.

"The Communist Party of Cuba gives continuity to the Cuban Revolutionary Party, which Marti founded," she says.

According to Espin, the revolution is the greatest monument to Marti. She says: "How fortunate we Cubans have been. We have had a Marti, and now we have a Fidel, who, following Marti's teachings, successfully leads the people through the roads of revolution." "Marti would be greatly pleased to see the work of his children, the work of the Communist Party of Cuba, heir of the Cuban Revolutionary Party," Espin concludes.

BRIEFS

NEW FRENCH AMBASSADOR -- This morning Carlos Rafael Rodriguez, vice president of the Council of State, received Jean-Louis Marfaing in solemn audience. Marfaing presented credentials accrediting him as ambassador of the Republic of France in Cuba. [Excerpt] [Havana Television Service in Spanish 0100 GMT 23 Jan 86 FL]

GUADELOUPE

OPPOSITION CALLS FOR MARCH ELECTIONS BOYCOTT

FL282136 Bridgetown CANA in English 2051 GMT 28 Jan 86

[Text] Pointe-a-Pitre, Jan 28, CANA-REUTER -- Guadeloupe's main independence party has launched a campaign for a boycott of the French Caribbean island's forthcoming legislative elections.

At a news conference yesterday, Claude Makouke, leader of the Popular Union for the Liberation of Guadeloupe (UPLG), condemned what he called the colonial policies carried out since 1981 by the French Socialist government.

Decentralisation is not decolonisation -- it is nothing but an attempt to adapt the colonial system to the reality of today, he said.

The traditionally moderate UPLG decided to boycott the March 16 election after contacting hardline separatists.

Makouke said they would only participate in elections organized as part of a process leading towards independence.

Discontent with rule from mainland France has been intensified in recent years by economic recession, with the island's main commodity, sugar cane, badly hit.

HAITI

DEMONSTRATIONS CONTINUE IN CAP HAITIEN

FL272126 Bridgetown CANA in English 2106 GMT 27 Jan 86

[Text] Cap Haitien, Jan 27, CANA-REUTER -- Troops fired in the air as thousands of angry anti-government protesters filled the streets of this picturesque seaside resort today for the second day running. Frightened tourists began leaving town.

Men, women and children took to the streets of Cap Haitien, Haiti's second biggest town, shouting slogans against President-for-Life Jean-Claude Duvalier.

One group of protesters took refuge in a Roman Catholic cathedral. Troops surrounded the building but did not try to force their way in.

The demonstrators, chanting Down with Duvalier, threw stones at the troops and blocked roads. Troops responded threw tear gas, swinging clubs, and firing their weapons in the air.

The troops and blue-shirted militiamen, known as the Ton Tons Macoutes, later toured the narrow streets in jeeps, jumping out, bursting into shops and homes and clubbing youths they suspected of having taken part in the demonstrations.

Duvalier, apparently in reaction to the protests, announced a series of changes in the military, dissolving the so-called inquest commission of the Army, a kind of intelligence body, and retiring 50 officers.

Diplomats said the commission was a little known body and had no connection with the feared Ton Tons Macoutes.

Tourists, mostly Americanas and Canadians, began packing their bags and pulling out of Cap Haitien. Some 800 passengers from the U.S. cruise ship "Caribe 2" who had been shopping in the narrow, potholed streets of the town were rounded up by the crew and rushed back to the vessel.

The ship sailed just before 1:00 p.m. instead of staying all day as scheduled.

Other tourists who have been enjoying holidays in relatively luxurious hotels above the habour packed up and drove to the capital, Port-au-Prince, five hours away by car.

Yesterday several tourists were roughed up by crowds of angry protesters, and troops burst into the white-stone cathedral in the Place d'Armes and scuffled with worshippers at the end of the morning mass.

Todays events began at mid-morning on the steps of the cathedral. Small groups of youths gathered and started dancing, pushing both arms in the air to the rapid rhythm of endless chants of Down with Duvalier.

Soon a couple dozen soldiers armed with automatic rifles arrived in two trucks and half-walked, half-ran towards the crowd.

The protesters, who numbered little over 100 at that point, scurried into the cathedral and slammed its huge wooden doors as the troops swung their clubs. The soldiers hit the doors several times as they closed but did not persist or try to knock them down and pulled back to encircle the cathedral.

Other people, mostly young men and eventually numbering several thousand, began emerging in side streets, gathering at corners a block from the troops and chanting the same anti-Duvalier slogan.

From time-to-time, the troops fired their weapons in the air or ran towards the protesters, sending them racing through the narrow allys to hide in houses and shops.

Shortly after the "Caribe 2" sailed, youths began gathering again to taunt troops and militiamen.

The anti-Duvalier movement has gained momentum since three students were killed by security forces during a demonstration in the town of Gonaives on November 27.

Duvalier has ruled Haiti since 1971 when he succeeded his father, Francois Papa Doc Duvalier.

Three Killed in Clash

PA281237 Madrid EFE in Spanish 1200 GMT 28 Jan 86

[Excerpt] Port-au-Prince, 28 Jan (EFE) -- At least 3 persons died and another 30 were wounded as a result of clashes between students and policemen in Cap Haitien during a new demonstration against President Jean-Claude Duvalier.

According to local medical sources, the bodies of a man and two minors were admitted to the local hospital. [as received] An additional 30 persons who were wounded, 12 of them with bullet wounds, were also admitted.

Eyewitnesses have reported that the antiriot police opened fire on and threw tear-gas bombs at demonstrators to disperse them. This information contradicts reports issued by the government's Radio National that the situation in Cap Haitien is completely normal. Cap Haitien is the country's second most important city, 250 km north of Port-au-Prince.

ST LUCIA

COMPTON BELIEVES GUYANA'S IMAGE TO IMPROVE

FL281939 Bridgetown CANA in English 1842 GMT 28 Jan 86

[Text] Castries, St Lucia, Jan 28, CANA -- Eastern Caribbean governments are satisfied that Guyana's President Desmond Hoyte will do everything possible to improve the country's political image, according to St Lucia Prime Minister John Compton.

Anything he does from now on will take into account what the outside world thinks of Guyana, and I think he is trying to present a new image of Guyana and we will help him do that, Compton said.

He was commenting on talks he and other Caribbean Community (Caricom) leaders had with Hoyte on Mustique over the weekend.

The informal meeting was triggered by the leaders' concern about developments in Guyana, where the government is accused by its opponents of rigging last December's election and violating human rights. The future of Caricom was also discussed.

Apart from Compton, Hoyte met with the prime ministers of Dominica, Grenada, Barbados, St Vincent and St Kitts and Nevis.

The meeting has been very useful, Compton said. It shows the strength of Caricom and the depth of the integration movement. It indicates to the Guyana Government and any other government that anything they do that may not be in a manner accepted by Caricom will be taken up.

The prime minister added: We cannot treat these things as internal and, therefore, we made our concern known. Hoyte... discussed them with us and we think he is aware of our concern and would like that image removed.

Compton said the Caribbean leaders left the meeting with the assurance that Hoyte knows the concerns of the outside world and he is not prepared to ignore them.

Compton said the Organisation of Eastern States (OECS) and Barbados had established a relationship whereby the leaders would meet informally for discussions when important (? issues) affecting Caricom/OECS relations arose.

Our intention is to show the outside world that we are not prepared to shout at each other but to meet as colleagues to resolve problems, Compton said.

He said he was aware of the fact that President Hoyte's submission was only one side of the story, but he would get an insight into the claims of the opposition on Thursday when he meets with former Guyana Premier Dr Cheddi Jagan, and other members of an opposition delegation now touring the Caribbean.

The team is briefing government and opposition politicians, as well as businessmen, trade union officials and churchmen on developments in Guyana.

TRINIDAD-TOBAGO

EDITORIAL VOICES LACK OF CONFIDENCE IN CHAMBERS

FL271959 Bridgetown CANA in English 1924 GMT 27 Jan 86

[Text] Port of Spain, Trinidad, Jan 27, CANA -- The TRINIDAD EXPRESS newspaper said today that the country had lost confidence in the leadership of Prime Minister George Chambers.

The EXPRESS made its comment in an editorial on Chambers interpretation of the popular calypso The Sinking Ship by Gypsy.

Speaking to party members on Saturday night, Chambers had said that the important line is not that the ship is sinking but that the man is asking the captain what to do.

Chambers said he would tell the man and the whole of Trinidad and Tobago what to do when he is ready.

The prime minister's opponents have used the title of the calypso for advertising their public meetings in the local press.

The EXPRESS pointed to the advice of the master of ceremonies at the calypso tent in which the calpyso was sung -- to throw the captain overboard.

The point is, states the editorial, the prime minister must be aware of the extent of public dissatisfaction and rage which exist nearly everywhere in society, and must know deep in his heart that what Gypsy is really saying is that the passengers, if not the crew on his ill-fated SS Trinidad and Tobago, have lost confidence in his captaincy.

PRESIDENT HOYTE ANNOUNCES NEW CABINET MEMBERS

FL282014 Bridgetown CANA in English 2005 GMT 28 Jan 86

[Text] Georgetown, Jan 28, CANA -- Seven weeks after the December 9 general elections, President Desmond Hoyte has announced who will form his Cabinet from the cluster of ministerial appointments.

There are 11 members including one woman -- Viola Burnham, widow of former President Forbes Burnham.

Hoyte also announced that the Cabinet will meet fortnightly instead of every week and deal with policy matters leaving routine business to newly established supervisory councils, which will be responsible for running the affairs of the 10 administrative regions of the country.

The local governments, which the regional administrative bodies really are, will report on certain matters to the Cabinet.

Following is the Cabinet:

President (responsible for home affairs, co-operatives, regional development)	Desmond Hoyte
First vice president; prime minister	Hamilton Green
Vice-president; first deputy prime minister; attorney general	Mohammed Shahabuddeen
Vice-president (national development); deputy prime minister	Ranjie Chandisingh
Vice-president (education and social development); deputy prime minister	Mrs Viola Burnham
Deputy prime minister (planning and development)	William Haslyn Parris
Deputy prime minister (agriculture)	Robert Corbin
Senior ministers:	
Finance	Carl Greenidge
Foreign Affairs	Rashleigh Jackson
Trade	Winston Murray
Transport	Seeram Prashad

The following are non-cabinet appointments announced previously.

Ministers:

Manpower, housing, the environment	Jeffrey Thomas
Health	Richard Van-West Charles
Information and public service	Yvonne Harewood-Benn
In the Ministry of National Development	Urmia Johnson
Youth and sports (in Ministry of Education)	Roy Fredericks
In the office of the president	Pandit Chintaman Gowkarran Sharma
In the Ministry of Education	Deryck Bernard
Ministers of state	
Agriculture	Jaillal Kissoon
Planning and development	Dr Faith Harding
Manpower, housing, environment	Donald Ainsworth
Forestry	Sharamdheo Sawh
Parliamentary secretaries	
Education	Jean Persico
Home affairs	Stella Odie-Ali
Office of the president	Azamudeen Habibulla